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MODERN

MANUALS OF COMMERCE

BY

FREDK. HOOPER and JAMES GRAHAM

OPINIONS OF THE PRESS

"Modern Business Methods—The Home Trade," 2/6

JOURNAL OF THE INSTITUTE OF BANKERS.—"The necessity in this country of improving our technical and commercial education is, as our President has remarked, being increasingly realised. As an assistance towards so desirable an object, we welcome the first number of this series. It has been said that if we were to attempt to establish in the City of London a business college on the lines of those which have succeeded so admirably on the continent, we should, at the outset, be hindered by the lack of two most important factors, viz., properly qualified teachers and satisfactory text-books. There is little doubt that both these difficulties can be surmounted, and the appearance of this work will tend to strengthen this opinion. The second section of the work treats of money, banking, bills of exchange, and contains much useful information, and may very well be read, not only by those who intend to become clerks in merchants' offices, but by those who are already in such employment, and indeed, by clerks in banks. Not the least useful part of the book is that which deals with bills of exchange, council bills and telegraphic transfers. Finally, we have a collection of 200 Questions for the examination of those who have studied the book, and it may be said with confidence that anyone who can satisfactorily answer them has gone a considerable distance on the way to become an efficient clerk."

DAILY MAIL.—"This handbook is designed either for use in a commercial school or for private work. It is admirable for either purpose. Everything is put very simply and very plainly, from the neatest style of addressing an envelope to the mysteries and pitfalls of a bill of exchange. For a boy, of say, fifteen years, who is not above acquiring the rudiments of the commercial craft he will have to practise, we can think of no more valuable introduction to his business career."

POLYTECHNIC MAGAZINE.—"It is without question the best book of its kind yet brought out, both in its spirit and in the method adopted, and I only wish that every young man engaged in clerical work—and a good many who, even while not earning their living by clerical work, are yet called upon to undertake it, in however small a way—could have a copy placed in his hands, and could be made to master it from the first page to the last."

EDUCATIONAL REVIEW.—"We can sum our opinion of the book by saying that we cannot imagine how any parent or teacher of a youth who intends to go into business, knowing of the existence of this work, could fail to insist on his studying it. The acquirement of a tithe of the information here given is calculated to reduce the labour of his apprenticeship and increase his chances of promotion a hundredfold. Even the general reader would profit largely by studying the chapter on cheques. We cordially recommend the book to all teachers of commercial classes."

JOURNAL OF EDUCATION.—"The authors are men of practical experience, and also have the gift of making their meaning perfectly clear. We have looked up more than one point liable to prove difficult for beginners, and have found the explanations given all that they should be. Publications such as these will be found of the greatest value wherever classes are established for giving commercial education in the true sense of the term."

DAILY TELEGRAPH.—"It is a reference book for business men, a text-book for students, and a guide to the beginner in an office or counting house concerned with home trade. A thorough acquaintance with the whole course should prove useful to the student entering upon a business career."

YORKSHIRE POST.—"This manual, dealing with the home trade, begins with the work which is usually done by a junior on his entrance to business life, and advances to work of most complex kind, not only giving clear instruction as to how things should be done, but explaining why they are so done. Other manuals, on the import and export trades and on business letters, are in preparation. As they become known, they will inform a good many people of the extraordinary gap which commercial courses are capable of filling."

NEWCASTLE LEADER.—"No better beginning could be suggested than that outlined in this useful book on Modern Business Methods."

INSURANCE, BANKING, AND FINANCIAL REVIEW.—"Correspondence, invoices, and all the other forms used in the average office, are dealt with in an exceedingly clear style, and the youngster who has carefully studied the matter contained in this book should never be at a loss to carry out his office duties to the entire satisfaction of his employer."

CHAMBER OF COMMERCE JOURNAL.—"The ground covered is too great to admit of detailed notice, but from a careful perusal of the various chapters, most office work, especially that of merchants' offices, appears to be thoroughly explained in simple language. In fact, ability to pass an examination on every part of the manual would be beyond the capacity of a good many seniors. Students can, with a little application, almost dispense with other assistance than the book itself."

COMMERCE.—"An interesting volume. To those engaged in purely commercial pursuits we can favourably recommend this volume for study. Particularly interesting and instructive are the chapters on mediums of exchange, banks and banking, and bills of exchange. The less ambitious duties of invoices, forwarding of goods, remitting money through the post-office, &c., are all of a satisfactory character, and should be of value to the beginner in a business house."

BRITISH TRADE JOURNAL.—"That the above-named book should be already in its second edition is striking testimony of the increased attention now being given to commercial education. Primarily it must be regarded as a text-book for the students of commercial schools and colleges, although as a reference book for those already engaged in business it is not without value. The style is thoroughly practical, and its comprehensive character and thoroughness render this book the best work of the kind we have seen. We shall look with interest to the volume, which will shortly be ready, by the same authors, dealing with the import and export trades."

BRITISH & SOUTH AFRICAN EXPORT GAZETTE.—"Everything appears to be set forth with the utmost lucidity, copious examples being given on all subjects. The main body of the work is followed by a number of useful questions, several County Council examination papers, and is also provided with an index."

HARDWAREMAN.—"The right time and the right men. With two such authors, it goes without saying that this book must cover the ground, and it does. From the duties of the office boy, with a description of his utensils, the copying press and the letter book, up to the most delicate and complex negotiations, this 'Introduction to Modern Business Methods' leaves nothing to be desired. We are glad to see that this book is the first of a series by the same authors, and we look to their future works for real 'value received.' We can heartily recommend our readers to obtain this and the succeeding volumes."

SCHOOLMASTER.—"This text-book has been most carefully prepared by those who have evidently made a special study of the subject, and they have done their work well, and with great clearness and aptitude of illustration. We recommend the work heartily to our friends."

EDUCATIONAL TIMES.—"For a boy entering a business office this treatise will certainly be very useful; and it contains a great deal of information which would make it a serviceable book of reference for the older hands."

EDUCATION.—"It is a compendium of knowledge on a vast mass of matters relating to office correspondence, business procedure, money matters, banking, bills, and cheques, &c., postal and other details, all of which will be useful, not only to beginners in commerce, but for reference to those already engaged in the affairs of business. The matter is well arranged and clearly set forth, terms are explained, and the details are numerous without being burdensome. The book is full of useful information, and it remains to induce those entering upon business to master its contents."

BOOKSELLER.—"Now that the Technical Education Committees of the various County Councils are including subjects of commercial education within the scope of their operations, the provision of suitable and satisfactory manuals on the subject becomes of special importance. The present volume is an attempt to supply such a text-book, at least, as far as our home trade is concerned, and it is certainly very complete and deals with the subject in a very clear and satisfactory manner. It commences with the most elementary facts of business or office routine, and gradually progresses to the higher parts of the subject. The authors are evidently thoroughly familiar with the best business methods, and their work should find acceptance among all who have to learn, and many who have to teach this increasingly important subject."

PUBLISHERS' CIRCULAR.—"The value of manuals such as these can hardly be overlooked."

THE BAZAAR.—"The first volume of the series treats of 'The Home Trade,' and is admirably adapted for commercial schools or private study. It is as simple as it well can be, and to a boy of fifteen or sixteen years of age invaluable, for he can learn from its pages as much as he could pick up in several years from hard, and perhaps bitter, experience on the treadmill of life."

WRITING MACHINE NEWS.—"This excellent handbook contains much valuable information bearing upon the details of office routine and the transaction of business. The chapters on cheques and bills of exchange are clearly and explicitly written, and should be extremely useful. A careful study of 'Modern Business Methods' will well repay even the established business man to whom such a handy work of reference may occasionally be of service."

REPORTERS' MAGAZINE.—"It is a practical guide to office details written in the simplest and most easily understood style. We shall probably return to the book later on to extract some of its excellent advice."

SHORTHAND WRITER.—"An admirable text-book on office work. Ought to be in every business establishment, as well as in the hands of all the junior and senior clerks."

THE MANCHESTER EVENING STUDENT.—"This book is an admirable treatise on the Home Trade Section of the subject with which it deals, and promises well for the succeeding volume on Foreign Trade. The book cannot fail to afford much useful information, as well to those who are already in business houses as to those about to commence a business career."

&c., &c.

Blank Fac-simile "Modern Business Forms," 6d.

(For students' use, providing practice in filling in actual documents.)

SCHOOLMASTER.—"These specimen forms are intended to be used by the pupil in connection with the text-book on 'Modern Business Methods,' issued by the authors. They furnish a very correct idea of the chief models which the young clerk should be expected to be familiar with, and are published in an exercise book for practice."

BRITISH TRADE JOURNAL.—"They are offered at a popular price, and will doubtless be acceptable and useful to all business firms who desire to carry on their work in the most systematic and approved manner."

&c., &c.

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SCHOOL GUARDIAN.—"Even those who do not contemplate making office work their profession will get a good deal of information from this useful book."

PUBLISHERS' CIRCULAR.—"The book explains simply and clearly all the work which is usually performed by the junior on his entrance into commercial life, and the information will be found of the greatest service in practically any business."

WRITING MACHINE NEWS.—"This is a capital shilling manual published by Messrs. Macmillan & Co. As may be gathered from its title, it aims at supplying useful and necessary information to those about to enter upon the duties of an office. Thorough instruction is given in the various methods of press-copying, indexing, making-up letters for the post, addressing envelopes, and the opening of books. The meaning and use of debit and credit notes, invoices and statements, are fully explained, and some little space is devoted to the mysteries of the telephone. This latter information is exceedingly useful."

&c., &c.

"The Teacher's Companion," 2/6.

COMMERCE.—"The design of the book appears to us very practical, and in accord with the obvious needs of the times, and the arrangement is in every way clear and sensible. A good deal of the matter is necessarily technical, but on the other hand there is also a good deal that the mere layman may appreciate. For instance, in treating upon the subject of correspondence, we are informed that the student should be taught to note down the several heads of the subject matter, and to compose a letter from these, dealing with them in their proper consecutive order, and devoting a paragraph to each, so that they may be kept perfectly distinct. This made us quite reflective. If typists who occasionally have the honour of transmitting the wisdom of the editors of this journal to the printers in the form of 'copy' could only have a chance of getting a little training of this kind, what a blessing it might be."

JOURNAL OF EDUCATION.—"This is intended as a help to those teachers who use the 'Modern Business Methods,' and supplies answers to the questions set in that book. It also explains how to equip and conduct classes in the subject. The hints given seem to us *a propos* and useful."

&c., &c.

MODERN BUSINESS METHODS

Import and Export Trade

MODERN

MANUALS OF COMMERCE

BY

FREDK. HOOPER and JAMES GRAHAM

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MODERN BUSINESS METHODS

13213

BEING A GUIDE TO THE OPERATIONS INCIDENTAL TO THE TRADE OF THE UNITED KINGDOM, WITH THE CUSTOMARY DOCUMENTS AND CORRESPONDENCE

A REFERENCE BOOK FOR BUSINESS MEN
AND
A TEXT BOOK FOR COMMERCIAL STUDENTS

Import and Export Trade

BY

FREDK. HOOPER

Secretary of the Bradford Chamber of Commerce

AND

JAMES GRAHAM

Inspector for Commercial Subjects and Modern Languages to the West Riding County Council

London
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DEDICATED

TO THE

Bradford Chamber of Commerce

AND THE

London Chamber of Commerce,

THE PROPOSER AND SECONDER RESPECTIVELY OF THE FOLLOWING

RESOLUTION, WHICH WAS UNANIMOUSLY ADOPTED

AT THE MEETING OF THE

ASSOCIATION OF CHAMBERS OF COMMERCE,

HELD AT MIDDLESBROUGH,

September 14th, 1897:—

"That in the opinion of this Association, it is desirable that young persons intended for commercial careers should, besides passing through the ordinary curriculum of a Secondary School, be specially instructed in subjects appertaining to commerce; and that in order to encourage the provision of such instruction, and with a view to securing that the facilities for commercial education in the United Kingdom shall not be inferior to those of any Continental country, it is urgently necessary that Government aid should be extended to the teaching of commercial subjects, as it now is to the teaching of Science and Art."

AND TO THE

Other Chambers of Commerce

WHICH HAVE TAKEN AN INTEREST IN COMMERCIAL EDUCATION.

PREFACE.

OUR consuls abroad constantly complain that British merchants and manufacturers either cannot or will not, or at any rate do not, quote and sell in foreign weights, measures, and currencies, as their foreign competitors do, and that we are thereby losing trade. These complaints were emphasized at a meeting of an important Chamber of Commerce held a short time ago to consider the question of "Foreign Competition." One of the speakers said: "I employ a good many clerks, and some of them are excellent, but I am sure if I were to put before some of the best of them a shipment of English goods and ask them . . to reduce the weights into the metric system and convert the £'s into dollars or milreis, the result, if any at all, would be disastrous. Again, any one connected with the Indian Trade well knows that half the Indents coming from India are at rupee limits. If I gave a clerk one of these Indents and told him to work it out into sterling, making the necessary calculations and covering himself against risk on the rise or fall in exchange, I am sure he could not do it. The result is, that I and my brother merchants in Wolverhampton and Birmingham are obliged to refuse all Indents which come home at Indian rupee limits. The Germans are doing this thing every day. . . They, therefore, simplify business and execute orders which we are obliged to refuse."

This book is specially designed to meet these difficulties and to show a would-be exporter how to make the necessary calculations to enable him to price his goods laid down at the consumer's place of business (in foreign weights, measures, and money), and on receipt of orders, how to deal with them, i.e., how to procure the goods, how to forward, ship, insure, and invoice them, and how to make arrangements regarding foreign exchange, and all the necessary subsidiary operations. In short, this Manual is a guide to the whole of the operations connected with the importation and exportation of goods, and matters incidental thereto.

Many of the special points connected with the purchase and sale of goods, foreign exchanges and bills of exchange, marine insurance, ships and charters, bills of lading, &c., about which business men are often in doubt, are also simply and fully explained. The essential points of difference between the various kinds of invoices used in foreign trade are clearly set forth, and in view of the proposed introduction into this country of decimal systems of weights, measures, and money, a few chapters have been devoted to these heads, in which these subjects are fully dealt with. We also give a chapter explanatory of the construction and working of telegraph codes—information which has hitherto been confined to the heads of large business houses.

Most of the books hitherto published on commercial subjects have been written by men with no business experience, many ludicrous mistakes being the result. We claim for this Manual that it is the outcome of practical experience in all the branches of trade here dealt with.

FREDK. HOOPER,
Chamber of Commerce,
Bradford.

JAMES GRAHAM,
West Riding Offices,
Wakefield.

January, 1899.

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This Manual, taken in conjunction with that on the Home Trade, by the same Authors, covers the ground traversed by the subject of "Business Methods." For some years, Training Classes for Teachers as well as ordinary Students' Classes in this subject have been in operation in Technical, Secondary, and Commercial Schools and Classes, and examinations therein have been held by public bodies.

CHAPTER I

THE TRADE AND COMMERCE OF THE UNITED KINGDOM

The word "**commerce**" is generally used to denote trade with foreign countries or with the Colonies, buying and selling at home being usually designated **trade.** For all practical purposes, however, the words *trade* and *commerce* may be considered to be synonymous. As a matter of fact, the term "commerce" is rarely heard in business affairs. It is true that we speak of "commercial matters" and "Chambers of Commerce" (the latter term being no doubt derived from the *Chambres de Commerce* which existed in France long before similar bodies were established in this country), but otherwise the term is rarely if ever used, the words *trade* and *business* sufficing to define our dealings both with our customers at home and with those abroad.

There are **three great divisions of our trade,** viz., (1) The Home Trade, (2) The Foreign Trade, and (3) The Carrying or Shipping Trade.

Home Trade refers to the buying and selling of goods and commodities for delivery within the borders of the United Kingdom.

Foreign Trade means trade with foreign countries, and comprises our imports from and exports to the Continent, the East, the United States, South America, &c., and our Colonies and Dependencies. This is sub-divided into

Import Trade, referring to merchandise brought into this country from abroad; and

Export Trade, referring to the merchandise which we send abroad, either in execution of orders or for sale on commission.

The Carrying or Shipping Trade, as applied to imports and exports, refers to the transportation of merchandise by sea. The *Transit* (or *Transhipment*) *Trade*, which is not included in our Foreign Trade, falls under this head.

The **Import and Export Trades** are sub-divided into *specific trades*, for example:—

The *Australasian Trade*, meaning trade with Australia, New Zealand, &c. Trade with other Colonies (e.g., Canada, the Cape, &c.) is referred to by the specific name of the Colony concerned.

The *Continental Trade*, meaning trade with Continental countries generally.

The *Eastern Trade*, meaning trade with India, China, Japan, and the East generally.

The *North American Trade*, meaning trade with Canada and the United States. (This is divided into the *Canadian Trade*, meaning trade with Canada, and the *States Trade*, meaning trade with the United States.)

The *Central American Trade*, meaning trade with Mexico and the Central American countries generally.

The *West India Trade*, meaning trade with Jamaica, Cuba, and the West India Islands generally.

The *South American Trade*, meaning trade with Brazil, Chili, Peru, &c.

The *Levant Trade*, meaning trade with Syria and Asia Minor generally.

The *South African Trade*, meaning trade with the Cape, the Transvaal, &c.

The *Baltic Trade*; the *Black Sea Trade*, and so on.

Each of the above classes is again sub-divided in accordance with the particular countries concerned.

There are also several other *branches of trade*, for example:

The Tea Trade.
The Wool Trade.
The Cotton Trade.
The Corn Trade.
The Fruit Trade.
} IMPORT TRADE AND HOME TRADE.

The Cotton (textile) Trade.
The Worsted Trade.
The Woollen Trade.
The Iron Trade.
The Coal Trade.
} EXPORT TRADE AND HOME TRADE.

The Foreign Trade of the United Kingdom.—We have already mentioned that the United Kingdom ranks first among the commercial countries of the world, but those who have not gone into the matter will be surprised at the magnitude of the trade of these islands. During the year 1897 the value of the imports into the United Kingdom was no less than £451,000,000, whilst the exports amounted to £294,000,000. The imports and exports together amounted to the enormous sum of £745,000,000.

The Foreign Trade of the Principal Nations.—The following table shows, according to the latest available returns, the foreign trade of the principal nations, in millions of pounds sterling:—

		Imports.	Exports.	Total.
1.	United Kingdom ...	451	294	745
2.	Germany ...	215	176	391
3.	United States ...	162	180	342
4.	France ...	152	136	288
5.	Holland ...	136	111	247
6.	Belgium ...	71	59	130
7.	Russia ...	59	69	128
8.	Austria ...	59	64	123
9.	Italy ...	47	42	89
10.	Spain ...	36	41	77
11.	Switzerland ...	42	30	72
12.	China ...	34	22	56
1.	India ...	63	75	138
2.	Canada ...	24	25	49
3.	New South Wales	21	23	44
4.	Cape of Good Hope	19	17	36
5.	Victoria ...	15	14	29

Exports from the United Kingdom.—A large proportion of the articles which we manufacture are exported to countries abroad. The total value of our exports during the year 1897 was, as already stated, £294,000,000. Of this, however, £60,000,000 consisted of articles which we had previously imported, such as wool, cotton, coffee, tea, and manufactured articles. How the remaining £234,000,000 of home productions which we exported was made up is shown in the following table:—

EXPORTS FROM THE UNITED KINGDOM.

VALUES OF EXPORTS OF BRITISH AND FOREIGN PRODUCE AND MANUFACTURES.

	1896.	1897.
British and Irish Products:—	£	£
Animals living	940,645	1,133,115
Articles of Food and Drink	11,355,141	12,138,542
Raw Materials	17,692,507	20,140,090
Articles Manufactured and Partly Manufactured, viz:—		
Yarns and Textile Fabrics...	105,353,592	96,618,472
Metals and Articles Manufactured therefrom (except Machinery)	33,572,894	34,487,808
Machinery and Millwork	17,036,899	16,282,085
Apparel and Articles of personal use ...	10,473,345	9,878,192
Chemicals and Chemical and Medicinal Preparations	8,243,601	8,674,864
All other Articles—either manufactured or partly manufactured	33,583,916	32,939,649
Parcel Post	1,669,669	2,057,186
Total Value	239,922,209	234,350,003
Exports of *Foreign and Colonial Produce* ...		
Total value (partly estimated) ...	56,466,465	59,833,677
Total (Home and Foreign) ...	296,388,674	294,183,680

Imports into the United Kingdom.—As Great Britain does not produce sufficient food to support her population she has to import large quantities of all kinds of food-stuffs, in addition to manufactured articles and raw materials. The Imports for the year 1897, as compared with the previous year, were as follows:—

IMPORTS INTO THE UNITED KINGDOM.

TOTAL VALUE OF IMPORTS FROM FOREIGN COUNTRIES & BRITISH POSSESSIONS.

	1896.	1897.
	£	£
Animals living—for food	10,438,699	11,380,332
Articles of Food and Drink—duty free ...	146,301,708	151,550,115
,, ,, ,, dutiable ...	25,693,706	26,791,519
Tobacco—dutiable	4,370,670	4,072,435
Metals	20,464,786	21,265,363
Chemicals, Dyestuffs, and Tanning Substances	6,784,845	6,006,210
Oils...	8,446,709	7,641,231
Raw Materials for Textile Manufactures ...	74,766,039	70,263,511
Raw Materials for sundry Industries & Mfctrs.	47,270,940	52,085,336
Manufactured Articles	81,250,453	85,038,387
Miscellaneous Articles	15,036,432	14,139,314
Parcel Post	1,012,348	1,004,930
Total Value ...	441,807,335	451,238,683

PRINCIPAL ARTICLES IMPORTED AND EXPORTED.

The following table shows the value of the *principal* articles imported into and exported from the United Kingdom in the year 1897, and the totals of each class:—

IMPORTS.	VALUE.	EXPORTS.	VALUE.
	£	**British Productions:**	£
Articles of Food & Drink		*Animals.*	
Cattle, Sheep, &c. ...	11,380,000	Horses, Cattle, Sheep, &c.	1,113,000
Wheat	23,363,000	*Articles of Food & Drink*	
Flour	9,600,000	Beer, Fish, Spirits, &c.	12,139,000
Barley, Oats, Peas, &c.	20,417,000	*Raw Materials.*	
Bacon, Hams, Beef, &c.	27,368,000	Coal, Coke, Cinders, and Fuel	16,659,000
Butter and Margarine	18,402,000	Wool	1,535,000
Cheese	5,887,000	*Yarns and Textile Fabrics*	
Eggs	4,357,000	Cotton Manufactures...	54,061,006
Fruit (raw)	6,109,000	Woollen and Worsted Manufactures	24,670,000
Potatoes and Vegetables	2,655,000	Linen Manufactures ...	4,774,000
Sugar and Molasses ...	16,198,000	Jute ,, ...	2,168,000
Coffee	3,571,000	Silk ,, ...	1,340,000
Tea	10,443,000	*Metals and Articles Manufactured therefrom (except Machinery)*	34,488,000
Wines and Spirits ...	8,460,000	*Machinery and Millwork*	16,282,000
Tobacco	4,072,000	*Apparel and Articles of personal use*	9,878,000
Metals, Copper, Iron, &c.	21,265,000	*Chemicals & Chemical & Medicinal Preparations*	8,675,000
Chemicals, Dyestuffs, &c.	6,006,000	*Other manufactured articles.*	
Oils	7,641,000	Arms, Ammunition, &c.	1,910,000
Raw Materials.		Products of Coal... ...	1,668,000
Cotton (raw)...	32,195,000	Earthenware, &c. ...	1,726,000
Flax, Hemp, and Jute	9,109,000	Leather (dressed) ...	1,389,000
Wool, Mohair, Alpaca, &c.	26,113,000	Painters' Colours and Materials	1,599,000
Caoutchouc	4,547,000	Paper	1,523,000
Hides (raw)	2,750,000	Total Value of Exports of *British Productions* £	234,350,000
Papermaking Materials	2,765,000	**Foreign and Colonial Productions:**	
Wood and Timber ...	23,637,000	Caoutchouc	2,796,000
Manufactured Articles		Coffee	1,911,000
Cotton Manufactures...	3,954,000	Cotton (raw)...	4,316,000
Silk ,, ...	16,912,000	Hides (raw)	937,000
Woollen ,, ...	13,000,000	Jute	1,282,000
Glass ,, ...	3,000,000	Leather...	1,804,000
Iron and Steel ,, ...	5,772,000	Tea	1,514,000
Leather ,, ...	8,141,000	Wool	13,322,000
Gloves	2,145,000	Total Value of Exports (British and Foreign Productions) ... £	59,834,000
Paper	2,848,000		294,184,000
Miscellaneous Articles.			
Seeds	5,751,000		
Total Value of Imports £	451,239,000		

The Balance of Trade.—It will be noted from the preceding table that the value of the imports exceeded that of the exports by about £157,000,000. This is called the *balance of trade.* When the imports of a country exceed the exports in value, the balance is said to be *against* that country, but when the exports exceed the imports the balance is said to be *in favour of* such country. This is a survival of the old notion that the more a country exported in proportion to its imports the greater was its prosperity. That notion is quite exploded now. For the last forty-five years the imports of the United Kingdom have exceeded the exports by many millions each year, the excess for the year 1897, as stated above, being £157,000,000, yet no one denies that this country has on the whole been exceedingly prosperous during that period. The fact is that this so-called excess is more apparent than real. It would take up too much space to explain in detail the reason for our imports being always greater than our exports, but we may state briefly that this is partly due to our *receiving goods*—

1. Against *interest* due on our investments in foreign countries, this item alone being estimated to amount to £75,000,000 per annum.

2. Against *payments* made in this country, on account of India and our other possessions, to retired civil and military officials, &c.; and—

3. Against *freight* due for conveying goods to and from this country—most of the ships and steamers engaged in our foreign trade being owned in this country, and the freight having ultimately to come to England.

As showing how freight alone affects the nominal value of our exports, we may instance a cargo of coal, say 3,000 tons, shipped to Bombay. The value of the coal at the port of shipment would be, say, £1,500, and the freight thereon, payable in Bombay, £1,500 more. Both these amounts would have to be remitted to England. This might be done by the consignee shipping, say, 600 tons of wheat, value £3,000, and remitting the bills drawn against the same to the shipper of the coal and the shipowner. The freight on the 600 tons of wheat would perhaps be £600, payable in England. The coal, when shipped in England, would be entered at £1,500, and the wheat, when imported, at £3,600. So here we should have an

export of £1,500, represented by an import of £3,600, or an apparent excess of import over export of £2,100 on this one item alone.

The above example, which is based on actual experience, is typical of operations which are going on every day, in a more or less modified form, and serves to show the fallacy of the assumption, as regards the United Kingdom at any rate, that an excess of imports over exports is prejudicial to a country.

In addition to our large import and export trade, there is also an enormous **home trade.** The exact proportion of this cannot be ascertained, but taking the population of the United Kingdom at 40 millions, and calculating five persons to a family, with an average expenditure of £150 per annum for each family, the value of the Home Trade would be £1,200,000,000, or nearly double that of our Import and Export Trade combined. This, of course, refers to Home Trade alone, i.e., actual consumption, which, of course, includes imported goods consumed in the United Kingdom.

Trade is divided into **wholesale and retail.** The term *wholesale trade* is used when goods are bought or sold in large quantities, and *retail trade* when goods which have been bought wholesale are sold to the public in small parcels or in single articles. Thus, a *merchant* is a wholesale trader; a *shopkeeper* is a retail trader.

The **persons engaged in trade** may be roughly classified into Producers, Distributors, Intermediaries, and Auxiliaries.

PRODUCERS	Growers of tea, cotton, wheat, wool, &c. Manufacturers of goods. Makers of Machinery, &c.
DISTRIBUTORS	Merchants. Warehousemen (another name for merchants). Retail tradesmen.
INTERMEDIARIES	Agents or Factors. Brokers (Bill, Exchange, Ship, Insurance, Wool, Corn, &c.).
AUXILIARIES	Bankers. Railway Companies. Shipowners, &c.

The Articles of Trade collectively are referred to as merchandise, commodities, goods, and productions, or wares.

Merchandise includes all articles, whether in their raw or finished state, which are bought and sold. In office parlance this term is restricted more or less to goods imported or exported.

Commodities are, properly speaking, articles of the first necessity either for comfort or for the purpose of industry. Thus tea, cotton, wool, &c., are commodities. The *staple commodities* of a country are its principal articles of commerce, e.g., cotton is one of the staple commodities of the United States, tea of India, silk of China, and so on.

Goods are the articles in which a merchant or retailer deals, irrespective of whether they are sold wholesale or retail. This term is also used to distinguish the manufactured article from the raw or semi-manufactured material, e.g., "goods" and "yarns."

Productions or *Wares* are simply manufactured articles, such as earthenware, hardware, glassware, hollowware, cloth, yarns, &c.

Machinery is generally referred to as such, and is not usually included under any of the above heads.

CHAPTER II

THE PURCHASE AND SALE OF GOODS

There are three principal kinds of sales, viz., *Direct Sales*, *Sales on Commission*, and *Sales by Auction*. When a transaction is carried out by the principals, i.e., when the owner of the goods sells to the purchaser without the intervention of a third party, it is called a *direct sale*; when the goods are sold through a broker or agent, it is termed a *sale on commission*; and when the goods are sold by an auctioneer to the highest bidder at a public sale, it is a *sale by auction*. Thus, wool is sold by the farmer *direct* to the wool merchant; it might also be sold *on commission* through a wool broker in London, Liverpool, or Bradford; or it might be sold *by auction* at the London or other wool sales.

The goods sold may be ready for delivery at the time, or may be sold for delivery at some future time. In either case the following expressions are made use of to denote the conditions (or terms) of sale and purchase.

(1) **Quality.**—The principal terms relating to quality are as follows:—

Sample or *Pattern.*—In this case the seller guarantees that the goods delivered shall be fully equal to an agreed upon sample or pattern, which is frequently taken from and represents the bulk. The term "sample" is usually applied to specimens of agricultural or raw products (wool, cotton, mohair, silk, wheat, seeds, &c.); to food stuffs (butter, lard, &c.); to liquids (wine, spirits, oil, &c.); to semi-manufactured articles (tops, noils, yarns, &c.); and to certain manufactured articles (leather, sugar, &c.). The term "pattern" is applied chiefly to specimens of piece goods of silk, wool, cotton, &c., and other manufactured articles.

Standard or *Type.*—A "standard" or "type" is a sample or specimen representing a certain recognised and well known quality, for example, in the cotton trade "Fine Broach" signifies cotton grown in the district of Broach (India), of the quality or class known as "fine," sold on a standard fixed by the Liverpool Cotton Brokers' Association. Goods (mostly agricultural products) sold on these terms are usually for delivery at some future time. If, when the goods are tendered, they are found to be inferior to the standard, an allowance, settled by arbitration, is usually made.

Description or *Brand.*—In this case the goods are sold under some well-known brand, trade mark, or description, a sample or standard being unnecessary; for example, "Hennessy's Three Star Brandy," " Bannermill 2 fold 40s. Mule Twist," &c.

On Approval means that the person to whom the goods are offered has the option of either accepting or refusing them after examination.

(2) **The Price.**—When certain services rendered by the seller are included in the price of the goods, they are indicated by the following terms:—

Loco signifies that the goods are to be delivered at the place of sale, or the place where they are lying, thus "loco Bradford" means that the goods are to be delivered in Bradford, the buyer defraying the cost of packing, railway carriage, &c., if incurred.

At Station signifies delivered at the railway station.

On Rail signifies placed in the railway company's trucks.

Free alongside (f.a.s.) signifies that the price includes all charges incurred up to and including placing the goods (in lighters or barges) alongside the vessel, ready to be taken on board.

F.o.b. (free on board) signifies that the price of the goods includes all charges (packing, railway carriage, dock dues or lighterage, &c.) up to and including placing the goods on board the vessel.

C. & f. (cost and freight) signifies that the price includes the cost of the goods, packing, railway carriage to the port, dock dues, lighterage, or other shipping charges, cost of bills of lading, and freight to the destination of the vessel.

C.f. & i. or *c.i.f.* (cost, freight and insurance) signifies that the price includes all the items enumerated above under the head of c. and f., with marine insurance in addition.

Franco (or "franco domicile," or "rendu," or "free") means c.f. & i. plus foreign import duty, railway carriage and other charges incurred up to delivering the goods at the door of the buyer; thus "franco Milan" means that at the specified price the seller delivers the goods at the buyer's address in Milan, free of all charges.

Landed terms (used in the import trade) signifies that the price includes lighterage (if any), dock dues, porterage, &c., and all charges incurred in landing the goods at the port of destination.

In Bond means that the goods are lying in one of the bonded warehouses and that the Excise or Customs Duties are unpaid, and will have to be paid by the buyer.

Duty paid means that the Excise or Customs Duties have been paid by the seller, and are included in the price.

(3) **Delivery.**—The principal terms relating to delivery are:—

Ready, meaning that the goods are ready to be delivered.

Prompt Delivery, meaning that the goods are to be delivered in a few days.

Near Delivery, meaning that the goods are to be delivered within a short time.

Forward Delivery, meaning that the goods are to be delivered at some future time. For example, goods sold in January for delivery in April.

To Arrive, meaning that the goods are to be delivered on arrival of the vessel by which they are being conveyed from the foreign port. This term is used chiefly in the import trade. The name of the vessel is usually declared when the contract is made or shortly afterwards.

Other terms used (in the import trade chiefly) are the following:—

Spot means that the goods are actually "on the spot," and ready for delivery, as distinguished from goods "to arrive."

Ex Quay means that the buyer has to take delivery of the goods when landed on the quay.

A Prompt Sale means that the goods sold are to be paid for and taken delivery of on a specified date, known as the *prompt day*.

Shipment, coupled with the name of a month or a date—thus "March shipment"—means that the goods are to be shipped on board the vessel during the month named; "15 May shipment" means shipment on board not later than 15th May; "March-April shipment" means shipment any time from 1st March to 30th April.

Prompt Shipment and *Immediate Shipment* usually mean that the goods must be shipped within 14 days after the date of the contract.

Sailing is used in the same manner as "shipment," but means that the vessel carrying the goods must actually *sail* from the foreign port within the time named.

Free Overside is a term sometimes used to denote that the buyer has to send lighters alongside to take delivery of the goods, the seller's responsibility ceasing as soon as the goods leave the vessel's slings.

(4) **Payment.**—The following are the terms most frequently employed :—

Cash on Delivery (or C.O.D.) means that payment must be made at the time the goods are handed over.

Prompt Cash means payment within a day or two without discount.

Net Cash / *Ready Cash* } means payment in from five to ten days, without discount.

2½ % *for Cash* means that 2½ % will be deducted from the invoice amount if payment be made within from five to ten days.

2½ % *one month* means payment within a month, less a discount of 2½ %.

3 *months net* means payment in three months, without discount.

Payment by 14 *days' draft* means payment by a draft at 14 days' date.

Cash against documents means that the invoice amount is to be paid on presentation of the Bills of Lading or other documents proving shipment or delivery.

Documents against acceptance means that the shipping documents are to be handed to the buyer on his "accepting" a draft for the invoice amount.

Documents against payment means that the shipping documents are only to be surrendered to the buyer on payment of the draft drawn against them, or that a cash payment is then to be made.

The law relating to the sale of goods is contained in the "Sale of Goods Act, 1893," which generally speaking applies to all purchases made in this country, whether in connection with the Home, Import, or Export Trade. This Act, which is couched in simple and clear language, should be studied by every British trader. Some of its principal provisions are summarised in the following paragraphs.

A sale of goods *where the value is below* £10 may be made either verbally or in writing; but *for goods of the value of* £10 *or upwards* the contract is not enforceable by action unless (1) the buyer has received or accepted part of the goods sold; or (2) has given something in earnest to bind the contract, or in part payment; or (3) unless some note or memorandum in writing has been made and signed by the party to be charged or his agent.

Contracts or agreements relating to the sale of goods, wares, or merchandise are exempt from stamp duty.

The term *month* in a contract of sale means *primâ facie* calendar month.

Sale by description. Where there is a contract for the sale of goods by description, there is an implied condition that the goods shall correspond with the description; and if the sale be by sample as well as by description, it is not sufficient that the bulk of the goods correspond with the sample if the goods do not also correspond with the description.

Implied undertakings as to quality, fitness, or condition. Where the buyer, expressly or by implication, makes known to the seller the particular purpose for which the goods are required, so as to show that the buyer relies on the seller's skill or judgment, and the goods are of a description which it is in the course of the seller's business to supply (whether he be the manufacturer or not), there is an implied undertaking that the goods shall be reasonably fit for such purpose, provided that in the case of a contract for the sake of a specified article under its patent or other trade name, there is no implied undertaking as to its fitness for any particular purpose.

Where goods are bought by description from a seller who deals in goods of that description (whether he be the manufacturer or not), there is an implied undertaking that the goods shall be of merchantable quality; provided that, if the buyer has examined the goods, there shall be no implied condition as regards defects which such examination ought to have revealed.

Sale by Sample. In the case of a contract for sale by sample there is an implied undertaking (1) that the bulk shall correspond with the sample in quality; (2) that the buyer shall have a reasonable opportunity of comparing the bulk with the sample; and (3) that the goods shall be free from any defect rendering them unmerchantable which would not be apparent on reasonable examination of the sample.

Goods sold "on approval" or "on sale and return." When goods are sold on these terms the property therein passes to the buyer: (1) When he signifies his approval or acceptance to the seller or does any other act adopting the transaction; or (2) if he does not signify his approval or acceptance to the seller, but retains the goods without giving notice of rejection, then, if a time has been fixed for the return of the goods, on the expiration of such time, and, if no time has been fixed, on the expiration of a reasonable time. What is a reasonable time is a question of fact.

Delivery of the goods. It is the duty of the seller to deliver the goods, and of the buyer to accept and pay for them, in accordance with the terms of the contract of sale.

Whether it is for the buyer to take possession of the goods, or for the seller to send them to the buyer, is a question depending in each case on the contract, expressed or implied, between the parties.

Where under the contract of sale the seller is bound to send the goods to the buyer, but no time for sending them is fixed, the seller is bound to send them within a reasonable time.

Delivery of wrong quantity. Where the seller delivers to the buyer a quantity of goods less than he contracted to sell, the buyer may reject them, but if the buyer accepts the goods so delivered he must pay for them at the contract rate.

Where the seller delivers to the buyer a quantity of goods larger than he contracted to sell, the buyer may accept the goods included in the contract and reject the rest, or he may reject the whole. If the buyer accepts the whole of the goods so delivered, he must pay for them at the contract rate.

Where the seller delivers to the buyer the goods he contracted to sell, mixed with goods of a different description not included in the contract, the buyer may accept the goods which are in accordance with the contract and reject the rest, or he may reject the whole.

The three provisions above named are subject to any usage of trade, special agreement, or course of dealing between the parties.

Instalment Deliveries.—Unless otherwise agreed the buyer of the goods is not bound to accept delivery thereof by instalments.

Where there is a contract for the sale of goods to be delivered by stated instalments, which are to be separately paid for, and the seller makes defective deliveries in respect of one or more instalments, or the buyer refuses or neglects to take delivery of or pay for one or more instalments, it is a question in each case depending on the terms of the contract and the circumstances of the case, whether the breach of contract is a repudiation of the whole contract, or whether it is a severable breach giving rise to a claim for compensation but not to a right to treat the whole contract as repudiated.

Delivery involving sea transit.—Unless otherwise agreed, where goods are sent by the seller to the buyer by a route involving sea transit, under circumstances in which it is usual to insure, the seller must give such notice to the buyer as may enable him to insure them during their sea transit, and, if the seller fails to do so, the goods shall be deemed to be at his risk during such sea transit.

Risk where goods are delivered at distant place.—Where the seller of goods agrees to deliver them at a place other than that where they are when sold, the buyer must, unless otherwise agreed, take any risk of deterioration in the goods necessarily incident to the course of transit.

Buyer's right of examining the goods.—Where goods are delivered to the buyer, which he has not previously examined, he is not deemed to have accepted them unless and until he has had a reasonable opportunity of examining them for the purpose of ascertaining whether they are in conformity with the contract. Unless otherwise agreed, when the seller tenders delivery of goods to the buyer, he is bound, on request, to afford the buyer a reasonable opportunity of examining the goods for the purpose of ascertaining whether they are in conformity with the contract.

Acceptance.—The buyer is deemed to have accepted the goods when he intimates to the seller that he has accepted them, or when the goods have been delivered to him and he does any act in relation to them which is inconsistent with the ownership of the seller, or when, after the lapse of a reasonable time, he retains the goods without intimating to the seller that he has rejected them.

Buyer not bound to return rejected goods.—Unless otherwise agreed, where goods are delivered to the buyer, and he refuses to accept them, having the right so to do, he is not bound to return them to the seller, but it is sufficient if he gives notice to the seller that he refuses to accept them.

Liability of buyer for neglecting or refusing delivery.—When the seller is ready and willing to deliver the goods, and requests the buyer to take delivery, and the buyer does not within a reasonable time after such request take delivery of the goods, he is liable to the seller for any loss occasioned by his neglect or refusal to take delivery, and also for a reasonable charge for the care and custody of the goods, provided that this shall not affect the rights of the seller where the neglect or refusal of the buyer to take delivery amounts to a repudiation of the contract.

Lien; part delivery.—Where an unpaid seller has made part delivery of the goods, he may exercise his right of lien or retention on the remainder, unless such part delivery has been made under such circumstances as to show an agreement to waive the lien or right of detention.

Stoppage in transitu.—Subject to the provisions of the Act, when the buyer of goods becomes insolvent, the unpaid seller who has parted with the possession of the goods has the right of stopping them in transitu, that is to say, he may resume possession of the goods as long as they are in course of transit, and may retain them until payment or tender of the price.

Goods are deemed to be in course of transit from the time when they are delivered to a carrier by land or water, or other bailee, for the purpose of transmission to the buyer, until the buyer, or his agent in that behalf, takes delivery of them from such carrier or other bailee.

Damages for non-acceptance.—Where the buyer wrongfully neglects or refuses to accept or pay for the goods, the seller may maintain an action against him for damages for non-acceptance.

Damages for non-delivery.—Where the seller wrongfully neglects or refuses to deliver the goods to the buyer, the buyer may maintain an action against the seller for damages for non-delivery.

In either of the two foregoing events, the measure for damages is the estimated loss directly and naturally resulting, in the ordinary course of events, from the breach of contract.

Where there is an available market for the goods in question the measure of damages is *primâ facie* to be ascertained by the difference between the contract price and the market or current price of the goods at the time or times when they ought to have been accepted or delivered, or, if no time was fixed, then at the time of the refusal to accept or deliver as the case may be.

Pricing of Goods.—It is perhaps desirable to explain the method of ascertaining the percentage which it is necessary to add to the cost price of goods in order to cover a given discount off the sale price. For example, if a manufacturer wishes to sell his goods with a discount of 20 per cent., what percentage should be added to the cost to cover the discount? This is ascertained as follows :—

From the number 100	100
Deduct the given rate of discount	20
	80

then complete the problem in the form of a Rule of Three sum, thus : as 80 is to 100 so is 20 to the percentage required :—

$20 \times 100 \div 80 = 25$, the percentage required.

This is proved as follows :—

Cost price	100
Add 25 %	25
Selling price	125
Discount 20 %	25
Net return ...	100

The following is another example, which must be calculated in a different manner:—If we have bought goods costing us net, say, 5 shillings per yard, and we wish to sell them with a discount of 10 per cent. on the *selling price* and make a profit of 5 per cent. *on the cost*, at what price should we sell? The calculation is as follows:—

$$\frac{100}{100} \text{ plus } 5\,\% \text{ profit} = 105 \quad \frac{105}{90} \text{ of } 5/- = 5/10 \text{ selling price.}$$
$$\text{less } 10\,\% \text{ disct.} = 90$$

Proof:—

	s.	d.
Selling price ...	5	10
Less 10 % disct.	0	7
	5	3
5 % profit on cost	0	3
	5	0

If it were desired to make a profit of 5 % on the *selling price* of the goods mentioned above, the calculation would be as follows:—

$$100 \text{ less } 5\,\% \text{ and } 10\,\% = 85. \quad \frac{100}{85} \text{ of } 5/- = 5/10{\cdot}588.$$

Proof:—

Selling price	5/10·588
10 % discount ...	7·059
	5/3·529
5 % on selling price ...	3·529
	5/-

Average due date (or *Equation of Payments*).—In actual business it is often necessary to find the average date of three, four, or more payments, or deliveries or shipments of goods, of different amounts made on different dates. For instance, supposing goods to the value of £360 were shipped on July 1st, £150 on August 2nd, £250 on Sept. 3rd, and £300 on Oct. 5th, and it was arranged to draw from the average date, what would be the average date? The problem is solved by taking one of the dates (the earliest usually) as the basis, computing the number of days from that date to each of the other dates and multiplying each amount by the number of days, then totalling the amounts and the products, dividing the latter by

the former and adding the quotient thus obtained to the date fixed as the basis, which gives the average date. The above example would be worked out as follows :—

			Days from July 1st.		
July 1	...	£360 ×	0	=	—
Aug. 2	...	150 ×	32	=	4,800
Sept. 3	...	250 ×	64	=	16,000
Oct. 5	...	300 ×	96	=	28,800
		£1,060			£49,600

$49{,}600 \div 1{,}060 = 46\frac{84}{106}$ days, say 47. Adding 47 days to July 1st gives *August 17th*, which is the average date in this case.

The same result may be obtained by taking the *last* date as the basis, and *deducting* therefrom the quotient obtained, thus :—

			Days to Oct. 5th.		
July 1	...	£360 ×	96	=	34,560
Aug. 2	...	150 ×	64	=	9,600
Sept. 3	...	250 ×	32	=	8,000
Oct. 5	...	300 ×	—	=	—
		£1,060			£52,160

$52{,}160 \div 1{,}060 = 49\frac{22}{106}$, say 49. Deducting 49 days from October 5th gives *August 17th*—the same date as that obtained by the first method of calculation.

CHAPTER III

FOREIGN EXCHANGE

The term **"Foreign Exchange"** means international exchange of money, or in other words the liquidation of debts between two countries by an *exchange* of the money of one country for an equivalent amount in the money of the other country.

There are four principal ways by which such an exchange may be effected, viz :—

(1) By the actual transmission of coin or bullion.

(2) By goods to the value of the amount due being sent for sale.

(3) By bonds or other international securities being sent for sale.

(4) By cheques and bills of exchange, payable in the country in which the debt is due, and drawn in the currency of that country.

The first three methods above-named are found in practice to be both cumbrous and expensive, and are seldom resorted to by merchants. The last named (viz., the remittance or the drawing of cheques and bills of exchange) is the method usually adopted. Thus, supposing you had sold goods to a customer in Berlin, he could pay you by remitting a draft payable in London, or you could draw on him for the amount and sell the draft to a bank or a bill broker in this country. On the other hand, if you had bought goods from a trader in Berlin, you could liquidate your debt by buying and remitting to him a bill on Berlin, or he could draw on you and sell the draft in Berlin to someone who wished to remit to England.

How money is transferred by bills of exchange.—In studying this question novices are generally at a loss to understand how money is transferred from one country to another by means of these pieces of paper. In reality the money is not transferred at all. The bills remitted are drawn against goods shipped (either by the remitter or by some other person) from the one country to the other, the money received from the sale of such goods being used to pay the bills as they mature.

The following example will perhaps serve to explain the matter more fully :—

> Grayson Bros., of Bombay, have sold on account of Williamson and Co., of Manchester, 10 bales of cotton goods, which realise, say, 9,600 rupees, and they want to remit the money to England.

If there were no banks in the place, they would go to the different firms who export produce from Bombay, and try to find one who was exporting to England goods of about the same value as the amount they want to remit.

They find, say, that John Moore has shipped to London 100 bales of cotton, value 9,600 rupees, for account of Messrs. Peterson & Co., of London. If such a thing as a bill of exchange were unknown, Grayson Bros. would pay the money to Moore, in exchange for a letter addressed to Peterson & Co., London, requesting the latter to pay the money, or its equivalent, to Williamson & Co., Manchester, and thus the indebtedness of Grayson to Williamson, and of Peterson to Moore, would be discharged.

In effect that is exactly what takes place when bills of exchange are drawn, except that for mutual convenience the operation is conducted through a bill broker or a banker, who buys a bill of exchange from the exporter and sells one to the importer. The importer and exporter, therefore, do not meet, and do not necessarily know that the money one wishes to remit is exchanged for the money the other has to draw. The bank in the one case sells at its selling or drawing rate, say 1s. 4d. (the price of the rupee), a bill on London for, say, £640—the equivalent of the amount Grayson Bros. want to remit—and in the other case buys from Moore at the bank's buying rate, 1s. $4\frac{1}{16}$d., his draft on London for £640 (the value of the cotton shipped) paying him the equivalent in rupees. The difference between the buying and the selling rate is the profit (in rupees) which the bank makes on the transaction.

It will thus be seen that Moore's 100 bales of cotton are in effect exchanged for Williamson's ten bales of goods. The process is exactly the same when bills are drawn on London in France, Germany, and other countries.

In international trade, goods are exchanged for goods, indirectly generally, and are not paid for in coin or bullion in each case. This is shown by the fact that although the imports into the United Kingdom last year amounted to £451,238,683, and the exports to £294,183,680, leaving a balance of £157,055,003 apparently due, our *exports* of specie only exceeded the *imports* of specie by £749,000. The reason for this is explained in a previous chapter, under the heading of "the balance of trade."

Rates of Exchange.—The "rate of exchange" is the price given in one country for the money of another country—thus, in the example given above, one rupee is the price which the bank pays in Bombay for 1s. $4\frac{1}{16}$d. payable in London.

These rates are regulated by the laws of supply and demand, which in turn are influenced by the balance of trade between the two countries, but one of the principal factors in determining the rate of exchange is the cost of remitting specie—*the "specie point,"* as it is termed. The rate of exchange rarely rises above or falls below the "specie point"—it is obvious that if a merchant could obtain a much better result by shipping specie he would adopt that course (inconvenient though it be) in preference to buying bills. The cost of transmitting specie ranges from 4 to 10 per mille according to distance, &c.

The following are the standards for specie points of the principal gold exchanges, as given in the *Economist* :—

French.	*German.*	*American.*
Francs.	Marks.	Dollars.
25·32½ = 4 per mille* for us.	20·52 = 5 per mille for us.	4·89 = 5 per mille for us.
25·22½ = Par.	20·43 = Par.	4·867 = Par.
25·12½ = 4 per mille agst. us.	20·33 = 5 per mille agst. us.	4·827 = 8 per mille agst. us

If in London the rate for bills on Paris were to fall to 25·12, it would be cheaper to send gold instead of bills; and if in Paris the rate for bills on London were to rise to 25·33, gold would likewise be shipped as the cheaper mode of remittance. (The term "bills" in this paragraph refers to "short" bills and cheques.)

* Per mille, of course, means per thousand.

Mint par of exchange.—In order to determine the rate of exchange in the first instance, when dealing with a foreign country whose currency is on a *gold* basis, we in England have to compare the weight of pure gold in a sovereign with the weight of pure gold in the coins of that foreign country, as calculated on data furnished by the different mints. The rate thus ascertained is called the *mint par of exchange;* thus, taking into consideration the weight and fineness of gold in a sovereign and in a 20-franc piece respectively, we find that the value of the sovereign reckoned in French money is 25 francs 22½ centimes, therefore when exchange between London and Paris is quoted 25 francs 22½ centimes, it is said to be *at par.*

In order to maintain exchange between two countries at par it would be necessary that the bills and cheques offered for sale should be nearly equal in value to the requirements of purchasers; in other words, that the demand should nearly equal the supply. This is seldom the case; there is generally a balance on one side or the other, and the excess of the supply as compared with the demand (or *vice versâ*) causes the rates to fluctuate more or less.

The nominal par of exchange between two countries, one having a gold standard and the other a *silver* standard, is based on the supposition that the ratio of the value of silver to gold is as 15½ to 1 (i.e., 15½ parts of silver to 1 of gold), but the current rates of exchange are generally based on the actual market value of the weight of silver contained in the standard coins of the silver-using country. In India the value of the rupee has been artificially raised to 1s. 4d., owing to the Indian mints having ceased to coin silver for the public, the coinage now being for the Indian Government alone. The coins are issued to the public on a gold basis, viz., 1s. 4d. to the rupee. The rupee has thus become a "token coin its intrinsic value to-day being about 10d. only.

The "Mint par of exchange" is sometimes called the *Nominal Exchange*, as distinguished from the "commercial par" or *Real Exchange.* All these terms are, however, used chiefly by professors of political economy—they are rarely, if ever, heard in actual business. When operating in exchange a merchant does not trouble to inquire whether exchange is above or below par, all he is concerned with is the actual rate of exchange for the day, and whether it is likely to go higher or lower.

The Moneys of Account of the principal countries, i.e., the moneys in which accounts are kept and in which the rates of exchange are expressed, and the standards of value of each country are given in the following table.

STANDARD OF VALUE AND MONEYS OF ACCOUNT OF THE PRINCIPAL COUNTRIES.

	STANDARD.	MONEY OF ACCOUNT.	Usual Value in English Money.
United Kingdom ...	Gold	Pound = 20 shillings of 12 pence each	£1
France	Gold and Silver	Franc = 100 centimes ...	9½d.
Belgium	,,	,, ,, ...	9½d.
Switzerland ...	,,	,, ,, ...	9½d.
Italy	,,	Lira = 100 centesimi ...	9d.
Greece	,,	Drachma = 100 lepta ...	9½d.
Spain	,,	Peseta = 100 centesimos	8d.
Servia	,,	Dinar = 100 paras ...	9d.
Bulgaria	,,	Leva = 100 stotinkis ...	9d.
Roumania	,,	Ley = 100 banis	9d.
Portugal	Gold	Milreis = 1000 reis ...	2/6
Holland	Gold and Silver	Guilder = 100 cents. ...	1/8
Denmark	Gold	Krone = 100 ore	1/1½
Norway	,,	,, ,, ...	,,
Sweden	,,	Krona = 100 ore	,,
Germany	,,	Mark = 100 pfennige ...	11¾d.
Austria	,,	Florin = 100 kreutzers ...	1/9 (silver)
Russia	,,	Rouble = 100 copecks ...	2/1 (,,)
Turkey	,,	Piastre = 100 aspres ...	2¼d.
Egypt	,,	Egyptian Pound = 100 piastres	20/5
United States ...	,,	Dollar = 100 cents. ...	4/1
Canada	,,	,, ,, ...	,,
Cape of Good Hope	,,	Same as in England.	
Australia	,,	,, ,, ...	
India	Silver	Rupee = 16 annas of 12 pies each	1/4
Ceylon	,,	Rupee = 100 cents. ...	,,
Singapore	,,	Dollar = 100 cents. ...	1/10½
Hong-Kong, &c. ...	,,	,, ,, ...	,,
Shanghai	,,	Tael = 10 mace	2/6
Japan	Gold	Dollar or Yen = 100 sen...	2/–
Brazil	,,	Milreis = 1000 reis ...	2/3
Argentine Republic	Gold and Silver	Peso = 100 centesimos ...	4/- (gold)
Venezuela	,,	Bolivar = 100 centavos ...	9½d.
Mexico	Silver	Dollar = 100 centavos ..	1/10
Colombia	,,	,, ,, ...	1/8½
Ecuador	,,	Peso = 100 centavos ...	,,
Chili	Gold	,, ,, ...	1/6
Peru	Silver	Sol = 100 centesimos ...	1/9
Bolivia	,,	Boliviano = ,, ...	,,

The franc is the current coin and the coin of accounts of France, Belgium, and Switzerland, and, under other names, of Italy, Greece, Spain, Servia, Bulgaria, and Roumania. The first five countries, viz., France, Belgium, Switzerland, Italy, and Greece, constitute what is known as the **Latin Monetary Union.** Their coins are alike in weight and fineness, although differing somewhat in name. Spain, Servia, Bulgaria, and Roumania have adopted the same system of coins, although they have not joined the Union. The Mexican dollar is the current coin in the Straits Settlements and adjacent countries. A British dollar of the same weight and fineness as the Mexican is also current there.

Course of Exchange.—In England, foreign bills of exchange and cheques are bought and sold, and the rates of exchange are fixed, at the Royal Exchange, London, the chief "market days" being Tuesday and Thursday in each week. The sales are effected through bill brokers, and a statement of the rates paid (which might be termed a "Price List of Bills") is published in the newspapers under the heading of the "Course of Exchange," which is merely another term for "Rates of Exchange." The following example (giving the rates for bills payable at the places named) is extracted from the *Economist*:—

LONDON COURSE OF EXCHANGE.

On.	Usance.	Price Negotiated on 'Change.			
		June 28		June 30	
Paris	Cheques	25·25	25·30	25·23⅜	25·28¾
,, ...	3 months	25·38¾	25·43¾	25·37½	25·42½
Marseilles	,,	25·38¾	25·43¾	25·37½	25·42½
Amsterdam	At sight	12·1	12·2	12·1	12·2
,, ...	3 months	12·3	12·3½	12·2⅞	12·3⅜
Berlin	,,	20·59	20·63	20·58	20·62
Hamburg	,,	20·58	20·62	20·58	20·62
Frankfort	,,	20·59	20·63	20·58	20·62
Vienna and Trieste	,,	12·13¾	12·16¼	12·13¾	12·16¼
Antwerp	,,	25·40	25·45	25·40	25·45
St. Petersburg	,,	24⅛	25⅛	25·	25⅛
Moscow	,,	24⅞	25·	24⅛	25⅛
Genoa, Naples, &c.	,,	27·32½	27·42½	27·32½	27·42½
Madrid, Barcelona, &c. ...	,,	24¾	25¼	25·	25½
Lisbon	,,	28⅞	29⅛	29·	29¼
Switzerland	,,	25·55	25·60	25·55	25·60

It is obvious that in exchange operations between two countries the money of one country must be taken as a fixed quantity or basis, the money of the other country being variable. Thus in England £1 is taken as the fixed quantity or unit for exchange with France, Belgium, Switzerland, Italy, Greece, Holland, Denmark, Norway, Sweden, Germany, Austria, the United States, and Canada; but for exchange purposes with other countries, for example, Russia, Spain, Portugal, South America, India, and the East generally, the money of the *foreign country* is taken as fixed, and is quoted in pence.

In order to make the preceding table of the "Course of Exchange" quite intelligible to the uninitiated it would have to be put in the following form (taking the first column of rates):—

Bills Payable in	Usance.	Were paid for at the rate of
Paris	Cheques	£1 sterling for 25 francs & 25 centimes
,, ...	3 months	,, ,, 25 ,, 38¾ ,,
Marseilles	,,	,, ,, 25 ,, 38¾ ,,
Amsterdam	At sight	,, ,, 12 florins & 1 cent.
,, ...	3 months	,, ,, 12 ,, 3 ,,
Berlin	,,	,, ,, 20 marks & 59 pfennige
Hamburg	,,	,, ,, 20 ,, 58 ,,
Frankfort	,,	,, ,, 20 ,, 59 ,,
Vienna and Trieste ...	,,	,, ,, 12 florins & 13¾ kreutzers
Antwerp	,,	,, ,, 25 ,, 40 cents.
St. Petersburg	,,	24⅛ pence for 1 silver rouble
Moscow	,,	24⅞ ,, 1 ,,
Genoa, Naples, &c. ...	,,	£1 sterling for 27 lire & 32½ centesimi
Madrid, Barcelona, &c. ...	,,	24¾ pence for 5 pesetas
Lisbon	,,	28⅞ ,, 1 milreis
Switzerland	,,	£1 sterling for 25 francs & 55 centimes

It may be taken as a general rule that when the rate of exchange is quoted in decimals, the £ sterling is the fixed unit of exchange, and that in other cases the rate represents the equivalent (in pence) of the standard coin of the country concerned. Thus, in the table on the preceding page, the Paris rate is quoted 25·25, meaning that £1 is equal to Fcs.25·25, whilst the Libson rate is quoted 28⅞, meaning that one milreis is equal to 28⅞ pence. Exchange with Spain is generally quoted per *piastre* or *dollar*, a coin equal to five pesetas.

After the foregoing explanation the following example from the *Economist* (giving the rates current abroad for bills payable in London) needs no comment:—

FOREIGN RATES OF EXCHANGE ON LONDON.

	Latest Dates.	Rates of Exchange.	Usance.
Paris	July 1	25·22½	Cheques
Brussels	June 30	25·25½	,,
Amsterdam	,, 30	12·05	Short
Berlin	,, 30	20·39	,,
,, ...	,, 30	20·30½	3 months
Hamburg	,, 30	20·31½	,,
Frankfort	July 1	20·39	Short
Vienna	,, 1	12·0	,,
St. Petersburg	June 30	93·95	3 months
New York	July 1	4·84½	60 days' sight
Lisbon	June 30	29 9/16	Sight
Italy	,, 28	27·06	,,
Rio Janeiro	,, 28	7 7/16d.	90 days' sight
Buenos Ayres	,, 3	48⅛d.	,, ,,
Monte Video	,, 8	51⅜d.	,, ,,
		Buy'g. *Sell'g.*	
Melbourne	May 6	⅛d. | 9/16d. pr.	60 days' sight
Sydney	,, 6	⅛d. | ½d. ,,	,, ,,
Adelaide	,, 6	⅛d. | 9/16d. ,,	,, ,,
Calcutta	July 1	1s. 3 1/32	Telegraphic transfer
Bombay	,, 1	1s. 3 1/16	
Hong-Kong	,, 1	1s. 11 3/32d.	4 months' sight
Shanghai	,, 1	2s. 7d.	,, ,,

The term *Short Exchange* is used to denote cheques and bills on demand or at sight, or up to 3 days' sight; the rate is based on the Mint par of exchange. The term *Long Exchange* is applied to bills drawn for a "term"—2 mos., 3 mos., &c.; the rate is based on the "short exchange," any difference between the "long" and the "short" rate being due to the rate of interest or discount which has to be calculated for the time the bill has to run, the cost of bill stamps, and the financial standing of the drawer and drawee.

Eastern Exchanges.—In exchange with Eastern countries, the foreign coins (rupees, dollars, and taels) are generally taken as the fixed quantity, the fluctuations being in the British money. The only exception is with regard to the Dutch possessions of Batavia and Surabaya, the exchange with which is quoted in florins per £1 sterling.

The following extract from the *Times* gives the Eastern "Course of Exchange" for the day :—

BUYING RATES ON THE EAST.

AUGUST 10TH.

Drawn on.	Demand.	15 days' sight.	30 days' sight.	60 days' sight.	90 days' sight.
Bombay, Calcutta, Colombo, Madras, Karachi, and Delhi	s. d. 1 $3\frac{13}{16}$	s. d. 1 $3\frac{3}{4}$	s. d. 1 $3\frac{17}{32}$	s. d. 1 $3\frac{19}{32}$	s. d. 1 $3\frac{1}{2}$
Rangoon and Akyab	1 $3\frac{3}{4}$	1 $3\frac{11}{16}$	1 $3\frac{5}{8}$	1 $3\frac{17}{32}$	1 $3\frac{7}{16}$
Batavia and Surabaya ... £	fl. c. 12 25	fl. c. 12.28$\frac{3}{4}$	fl. c. 12 32$\frac{1}{2}$	fl. c. 12 40	fl. c. 12 47$\frac{1}{2}$
Singapore and Penang ...$	s. d. 1 $10\frac{5}{8}$	s. d. 1 $10\frac{9}{16}$	s. d. 1 $10\frac{1}{2}$	s. d. 1 $10\frac{3}{8}$	s. d. 1 $10\frac{1}{4}$
Hong-Kong ... ... $	1 $10\frac{1}{2}$	1 $10\frac{7}{16}$	1 $10\frac{3}{8}$	1 $10\frac{1}{4}$	1 $10\frac{1}{8}$
Yokohama and Hiago ... $	1 $11\frac{3}{4}$	1 $11\frac{11}{16}$	1 $11\frac{5}{8}$	1 $11\frac{1}{2}$	1 $11\frac{3}{8}$
hanghai ... ... tael	2 $6\frac{1}{8}$	2 $6\frac{1}{16}$	2 6	2 $5\frac{7}{8}$	2 $5\frac{3}{4}$
Tien-tsin	2 $7\frac{3}{8}$	2 $7\frac{5}{16}$	2 $7\frac{1}{4}$	2 $7\frac{1}{8}$	2 7

Council Bills and Telegraphic Transfers.—There are two other modes of transmitting money from England to India which it is perhaps desirable to explain here; we refer to the Council Bills and Telegraphic Transfers sold on behalf of the Government of India.

The first are bills drawn by the Secretary of State for India (London) on the Government treasuries in India. Up to about 20 years ago the Secretary of State always drew on India by demand drafts, but since then he has sold both demand drafts (or "Council Bills," as they are termed) and "Telegraphic Transfers," whichever might be required.

The reason for these drawings is this. The Government of India has to pay to the British Government every year a sum of 17 or 18 millions sterling, for interest on debts contracted in England, pensions to retired civil and military officers, home charges for troops serving in India, and the purchase of stores, &c. The revenues of the Indian Government are, of course, received in silver, i.e., rupees, and the money is kept at the three principal treasuries in India, viz., Bombay, Calcutta, and Madras. This silver has to be converted into gold, in order to pay India's gold debts, and the readiest way of doing this is for the Government of India to sell its drafts in

London, where it receives gold for an equivalent amount in rupees, payable in India.

The way this is done is as follows :—The Secretary of State for India is advised from India that there is such and such an amount in the treasury available for remittance or ready for drawing upon. Thereupon the Secretary of State advertises that he is prepared to receive tenders for so many lacs of rupees. On the appointed day (Wednesday in each week) the tenders are opened. Tenders at or above the rate which the Secretary of State has decided shall be the rate for the day are accepted in full, whilst tenders below that rate are only partially accepted. The following extract from a Calcutta newspaper contains the usual announcement of the sales :—

> **Council Bills.**—The amount of Bills sold during the week ending Tuesday evening, July 12th, including the public sale on the previous Wednesday was 50,00,000 rupees. At the periodical drawings on Wednesday last, which were for 40,00,000 rupees, the following were the allotments :—
>
> | | | | |
> |---|---|---|---|
> | Bills on Calcutta | ... | 19,70,000 | Rupees |
> | ,, Bombay | ... | 14,70,000 | ,, |
> | ,, Madras | ... | 4,10,000 | ,, |
> | Total | ... | 38,50,000 | ,, |
>
> Tenders at 1s. 3$\frac{3}{4}$d. (min. rate) received 9 per cent. ; above that rate in full. The average rate of allotment was 15·76d.
>
> **Telegraphic Transfers** were also allotted :—
>
> On Bombay ... ... 150,000 Rupees.
>
> Tenders at 1s. 3$\frac{13}{16}$d. (min. rate) received in full. The average rate of allotment was 15·81d.
>
> 30,00,000 Rupees will be offered to-morrow.

This almost explains itself. The term "Council Bills" has been already defined. *A telegraphic transfer* means that the Secretary of State telegraphs to the Government Treasury concerned to pay a certain bank or firm (the nominee of the purchasers of the transfer) so many rupees.

The peculiar division of the figures representing rupees, requires some explanation, perhaps. In India, the name for the number 100,000 (whether used in reference to rupees, people, or otherwise) is "lac," or, as it is generally written, "lakh." Thus, 125,000 would be called "one lac twenty-five thousand," and would be expressed in figures thus, 1,25,000. A "crore" is a hundred lacs,

equal to ten millions, therefore the number 22,125,000 would be divided thus, 2,21,25,000, meaning "two crores, twenty-one lacs, twenty-five thousand."

Telegraphic Transfers are not confined to the dealings of the Government of India. They are largely used between one bank and another, or one firm and another, carrying on business in different parts of the world. The "*modus operandi*" is in each case the same. The person who wishes to remit goes to a bank which has a branch or an agent at the place to which he desires to remit, and all he has to do is to give the necessary instructions, and pay the equivalent of the amount at the current rate of exchange, plus cost of telegraphing. The telegraphing is, of course, done by a "code," and is usually effected in three words (exclusive of the address of the telegram). By this means money is transferred at once, thus obviating the delay caused by the transmission of a bill of exchange or a council bill by post. The usual abbreviation for the term telegraphic transfer is "T.T."

Exchange Operations.—These may be effected in two ways, viz., by *direct* exchange or by *indirect* exchange.

Direct Exchange means that the exchange is effected direct between the two countries concerned. Take for example the case of a person in London owing money to a firm in Berlin; if the debtor were to buy and remit a London bill drawn on Berlin, or if on the other hand the Berlin firm were to draw a bill on their London debtor, that would be a direct exchange.

Indirect Exchange means that the exchange is effected through a country or countries other than those immediately concerned. For example the London debtor above referred to might find it advantageous to buy bills drawn on Paris, and send them for sale to a correspondent in that city with instructions to purchase with the proceeds bills on Berlin; or he might, after sending the bills to Paris, instruct his Berlin creditor to draw on his Paris friend. Again he might remit to Hamburg in the first instance, then to Paris, and finally to Berlin. Each of these complete operations would be an indirect exchange. Indirect exchange operations are somewhat absurdly termed "arbitrations of exchange," and the average rate obtained, the "arbitrated rate of exchange."

Exchange Calculations.—The method of converting English money into foreign, and *vice versâ*, is, like most other things, a very simple matter when once it is understood.

Direct Exchange.—In this case the calculation is extremely simple. To convert foreign money into English (when the £ is the "fixed quantity") all one has to do is to *divide* the foreign money by the rate of exchange. Thus, if it were desired to convert 5,760 francs into £'s at 25·30 exchange, and 2,380 marks into £'s at 20·60 exchange, the calculations would be as follows :—

Francs 5,760 ÷ 25·30 = £227·668 or £227 13s. 4½d.
Marks 2,380 ÷ 20·60 = £115·534 or £115 10s. 9d.

To convert £'s into foreign money, the £'s must be *multiplied* by the rate of exchange. Thus, to convert £227 13s. 4½d. into francs, and £115 10s. 9d. into marks, at the above rates of exchange, the calculations would be as follows :—

£227 13s. 4½d. or £227·668 × 25·30 = francs 5,760.
£115 10s. 9d. or £115·534 × 20·60 = marks 2,380.

When the foreign money is the fixed quantity, the above calculations are reversed. For example, if we wished to convert into sterling 3,000 taels at 29¼d. exchange, and 6,000 rupees at 1s. 4¼d. exchange, we should proceed as follows :—

3,000 × 2s. 5¼d. = £365 12s. 6d.
6,000 × 1s. 4¼d. = £406 5s.

To convert £365 12s. 6d. into taels, and £406 5s. into rupees, at the above rates of exchange, the calculations would be as follows :—

£365 12s. 6d. or 87,750 pence ÷ 29.25 = 3,000 taels.
£406 5s. or 97,500 ,, ÷ 16.25 = 6,000 rupees.

Indirect Exchange. In this case the calculation is more complicated, and is usually made by the "chain rule." The mode of calculation will perhaps be best explained by the following example.

We buy in London a bill on Hamburg at 20·50 ; we remit it to Hamburg for collection, and with the proceeds buy bills on

Vienna at 170 marks per 100 florins; the bills are then sold in Vienna and the proceeds buy a bill on Paris at 47·50 per 100 francs: what is the "arbitrated rate" between London and Paris The question would be stated thus :—

How many francs	=	£1
if £1	=	20½ marks
and 170 marks	=	100 florins
and 47½ florins	=	100 francs ?

This is calculated as follows :—

$$\frac{1 \times 20\frac{1}{2} \times 100 \times 100}{1 \times 170 \times 47\frac{1}{2}} = 25{\cdot}39.$$

In actual operations of this kind allowance has to be made for discount or interest, besides certain charges such as Bill stamps (1 to 2 per mille), brokerage ($\frac{1}{8}\%$), and commission ($\frac{1}{8}$ to $\frac{1}{4}\%$). Merchants do not often operate in this way; such transactions are usually confined to banks and financial houses.

Re-exchange is a term used to denote that a fresh bill has been drawn in place of one which has been dishonoured. The new bill would be drawn by the holder of the dishonoured bill, on the drawer of the latter. The *re-exchange account* is a statement detailing the costs incurred on re-drawing, viz., charges for protesting, brokerage, stamps, commission, &c. These charges are added to the amount of the original bill, the total amount being drawn for in the new bill.

Gresham's Law.—This is a term frequently met with in works on finance. It refers to a law demonstrated to Queen Elizabeth by Sir Thomas Gresham, to the effect that if two sorts of coins be legal tender in a country, of the same value in denomination but differing intrinsically (e.g., sovereigns of full weight and sovereigns of light weight), only those having the lower value will be in general circulation, the others being either hoarded or exported; in other words, "bad money drives out good."

Foreign Bills of Exchange.—The question of Bills of Exchange was dealt with somewhat fully in our volume on the home trade. As the remarks there made are generally applicable to foreign bills negotiated in this country, the only further information

now necessary is in relation to the *usance* at which foreign bills are drawn, that is, the period for which it is customary to draw bills at or on the places named. These are as follows:—

USANCE OF FOREIGN BILLS.

Altona	1 month's date.	Barcelona	60 days' date.
Augsburg	15 days' sight.	Bilbao	2 months' date.
Berlin	14 ,, ,,	Cadiz	60 days' date.
Bremen	1 month's date.	Madrid	2 months' sight.
Dantzic	14 days' sight.	Lisbon	30 days' date.
Dresden	14 ,, ,,	Oporto	30 days' date.
Frankfort	14 ,, ,,	Genoa	3 month's date.
Hamburg	1 month's date.	Leghorn	3 ,, ,,
Leipsig	14 days' sight.	Milan	3 ,, ,,
Amsterdam	1 month's date.	Naples	3 ,, ,,
Rotterdam	1 ,, ,,	Palermo	3 ,, ,,
Antwerp	1 ,, ,,	Venice	3 ,, ,,
Bordeaux	30 days' date.	Trieste	14 days' sight.
Paris	30 ,, ,,	Vienna	14 ,, ,,
Geneva	30 ,, ,,	New York	60 ,, ,,
Gibraltar	2 month's sight.	Sydney	30, 60 & 90 d/s.
Malta	30 days' date.	Rio de Janeiro	30 days' sight.

Legal Delay, Days of Grace, and Due date of Bills.

The following information in reference to Bills of Exchange (collated by Sir Samuel Montagu, Bart., M.P.) will no doubt be useful:—

Legal Delay.

Legal delay allowed for the return of Dishonoured Bills after noting or protest—

United Kingdom one day.
Germany and Holland two or three days.
France fourteen days.
Russia one year.

Days of Grace.

United Kingdom: Government Bills and Bank Post Bills *none*; other Bills *three*, unless the word "fixed" is added.

United States: Various. In some States, three; in others, none. In New York State the three days of grace are abolished from January 1st, 1895.

France: None; but protest must be taken out after midday on the first working day following the due date.

Spain: Same as France.

Germany: Same as France, excepting that protest must be taken out not later than the second working day after maturity.

Belgium: Same as France, excepting that the protest day is the second working day after maturity. Should the acceptor of a Bill fail before its maturity, the Bill may be protested and action taken on it, as if it had been dishonoured at due date.

Holland: Two days of grace.

Russia (generally): If Bills are accepted ten days of grace are exacted. The leading Bankers do not avail themselves of this delay. Unaccepted Bills carry no grace. In Warsaw, however, only one day of grace is allowed.

Due Date of Bills.

England: Bills due on Sunday, Christmas Day, and Good Friday are payable on the previous working day; on Bank Holidays, the subsequent working day.

France: Bills due on Sundays and Holidays are payable on previous day.

Germany and Holland: Bills due on Sundays or Holidays are payable the following day.

Portugal: Same as France, excepting that, calculating the maturity of Bills, a month is fixed at thirty days, consequently a Bill drawn at three months would be identical with a Bill drawn at ninety days.

CHAPTER IV

THE EXPORTATION OF GOODS

Procuring Orders.—In the home trade, orders from towns other than those where the goods are manufactured are obtained by means of commercial travellers and agents who work certain districts. In the export trade orders are obtained in the same way, except that, instead of being confined to districts, the travellers have to work whole countries, whilst in distant countries, such as India, China, &c., the agents in many cases give place to branch firms. Another point of difference between the home trade and the export trade is that the latter is to a very much larger extent than the former done by telegraph.

The orders received (except in the case of orders for standard or well-known articles) are generally based on patterns or samples shown by the traveller or sent direct by a firm to their agents or branches. Each pattern or sample usually has a distinct mark assigned to it, and it is referred to by this mark. In the case of patterns sent to countries to or from which the cost of telegraphing is very heavy (such as India, China, Australia, &c.), a number is assigned to each pattern, and when goods are ordered by telegraph, as is frequently the case, these numbers are used to indicate the goods required.

Sometimes orders are sent direct by a foreign firm, and very frequently foreign buyers (from the Continent, Canada, the United States, and South America, chiefly) visit this country and select the goods they require; but in the majority of cases sales are effected as described above, by means of travellers, agents, or branch firms.

Commercial Travellers.—In several countries in Europe, and at times in British Colonies (New Zealand for instance), before a traveller or other representative of a British firm can take orders he must be in possession of a *license*. In the case of Switzerland, a representative of a British firm proposing to take orders in that country should first obtain a "carte de légitimation" from a British Chamber of Commerce, on production of which the police

authorities of the first canton visited will furnish an official license. In some other countries, Roumania and Servia, for instance, this "carte de légitimation" serves as a license. In other countries, however, such as Russia, Denmark, Norway, and some South American countries, a license must be obtained from the police authorities or Customs officials at the first town visited, and heavy fees have to be paid. In Denmark, a traveller is not allowed to carry samples outside the principal towns; if he does, and is found out, he is brought before a police court and heavily fined. In the United Kingdom there are no restrictions of this kind, and a foreign commercial traveller is at liberty to visit all parts of the Kingdom, either with or without samples, and take any number of orders, without a license or payment of any fee whatever.

It is almost unnecessary to mention that a commercial traveller should have an effective knowledge of the language spoken in the country he is about to visit.

Passports.—Travellers proceeding to certain countries (e.g., Russia, Turkey, or Roumania) should provide themselves with passports, which must be *visés* (at the respective Consulates) before quitting England. In most other countries passports are not absolutely necessary, but it is desirable that a traveller should be in possession of one, as it is frequently found to be of service. The following are the Regulations issued by the British Foreign Office on the subject:—

REGULATIONS RESPECTING PASSPORTS.

1. Applications for Foreign Office Passports must be made in writing, and inclosed in a cover addressed to "The Passport Department, Foreign Office, London, S.W."

2. The charge for a passport, whatever number of persons may be named in it, is 2s. Passports are issued at the Foreign Office between the hours of 11 and 4 on the day following that on which the application for the passport has been received, except on Sundays and Public Holidays, when the Passport Office is closed. If the applicant reside in the country, and it be desired that the passport should be sent by post, a postal order for 2s. must accompany the application. POSTAGE STAMPS WILL NOT BE RECEIVED IN PAYMENT.

3. Foreign Office Passports are granted only to British-born subjects, or to persons naturalised either in the United Kingdom or in the British Colonies; they are not limited in point of time, but are available for any time, or for any number of journeys to the Continent.

When the party is a "Naturalised British Subject," he will be so designated in his passport, which will be issued subject to the qualification mentioned in the 7th Clause of the Act 33 Vict., c. 14.

4. Passports are granted to all persons either known to the Secretary of State or recommended to him by some person who is known to him; or upon the application of any *Banking Firm* established in London, or in any part of the United Kingdom; or upon the production of a *Certificate of Identity* (see subjoined Form) signed by any Mayor, Magistrate, Justice of the Peace, Minister of Religion, Physician, Surgeon, Solicitor, or Notary, resident in the United Kingdom; in certain cases, the applicant's Certificate of Birth must be produced, in addition to the Certificate of Identity.

5. If the applicant for a passport be a Naturalised British subject, his certificate of naturalisation, with his signature subscribed to the oath printed on it, must be forwarded to the Foreign Office with the certificate of identity granted on his behalf; and his certificate of naturalisation will be returned with the passport to the person who may have granted the certificate of identity, in order that he may cause such Naturalised British subject to sign the passport in his presence. The agents at the outports are not authorised to grant passports to Naturalised British subjects, and such persons, if resident in London or in the suburbs, must apply *personally* for their passports at the Foreign Office.

6. A passport cannot be issued by the Foreign Office, or by an agent at an outport, on behalf of a person already abroad; such person should apply for one to the nearest British Mission or Consulate; a passport cannot be issued abroad to a Colonial Naturalised British subject, except for a direct journey to the United Kingdom or to the Colony where he has been naturalised.

7. The bearer of every passport granted by the Foreign Office should sign his passport as soon as he receives it; without such signature either the *visa* may be refused, or the validity of the passport questioned abroad.

8. Travellers who may have any intention of visiting the Russian Empire, the Turkish Dominions, or the Kingdom of Roumania, at any time in the course of their travels, must not quit England without having had their passports *visés* at the Russian Consulate in London, 17, Great Winchester Street, E.C.; at the Consulate-General of the Sublime Porte, 7, Union Court, Old Broad Street; or at the Roumanian Consulate-General, 68, Basinghall Street, E.C., respectively. Travellers about to proceed to any other country need not obtain the *visa* of the Diplomatic or Consular Agents of such country, resident in the United Kingdom, except as an additional precaution, which is recommended in the case of Passports of old date.

N.B.—Although British subjects are now free to enter Belgium, France, Holland, Italy, Denmark, Sweden and Norway without passports, and the rules about passports have been virtually relaxed in other countries, nevertheless, British subjects about to visit the Continent are recommended not to omit to provide themselves with passports, for even in those countries where they are no longer obligatory, they are found to be convenient, as offering a ready means of identification, and more particularly when letters have to be claimed at a *poste restante*. For *residence* in certain districts of Germany or Switzerland, a passport is indispensable.

Foreign Office, July 15th, 1895.

FORM OF CERTIFICATE OF IDENTITY.

(*a*)_____

The Undersigned, (*b*)_____

residing at_____

hereby certifies that (*c*)_____

whose signature is written in the margin, is a (*d*)

and requires a Passport to enable to (*e*)

Signed_____

Signature of the Applicant (*f*)

(*a*) Insert date of Place and Day of the Month.
(*b*) State whether Mayor, Magistrate, Justice of the Peace, Minister of Religion, Physician, Surgeon, Solicitor, or Notary (as the case may be).
(*c*) Christian Name and Surname of the Applicant to be written at length.
(*d*) State whether a British Subject or a Naturalised British Subject.
(*e*) Insert whether "him" or "her;" also state place where proceeding to, or whether it be intended to travel on the Continent generally, or in America; also whether to be accompanied [as the case may be] by Wife and Children, with their Tutor, named *C. D. (Christian and Surname to be written at length)* a British Subject, and a Governess, and Maid Servant [or Servants], and Man Servant [or Servants], named *E. F.*, a British Subject [or Subjects], and a Courier named *G. H.*, a Naturalised British Subject.
(*f*) Christian Name and Surname of the Applicant to be written at length in the Margin.

Foreign Office Passport Agents at the Outports.

Bath	Isaac Williams	Newcastle-on-Tyne ..	R. Welford
Great Yarmouth	F. Danby Palmer	Ramsgate ...	H. Blyth Hammond
Hull	Thomas R. Till	Southampton ..	J. E. Le Feuvre
Lowestoft ..	B. M. Bradbeer		

Inquiries as to the Financial Standing of Foreign Firms.—Inquiries as to the financial status of a firm abroad are usually made through a correspondent at or near the places where the firms carry on business; failing such correspondent, then through one of the foreign inquiry agencies. Some of the continental inquiry agencies are not very reliable, and care should be taken when making a choice. Schimmelfeng's Institute, 137, Cheapside, London, E.C., has a good reputation for the continent generally, and the Bradstreet Company, 137, Cheapside, London, E.C., for South Africa, Canada, the United States, and Australia. The Chamber of Commerce at Jassy (Roumania) undertakes to have inquiries made concerning Roumanian firms, also to collect debts, &c., for a small fee.

CHAPTER V

THE EXPORTATION OF GOODS—*continued*

The operations incidental to the exportation of goods may be briefly summarised thus :—(1) receipt of the order or indent ; (2) execution of the order ; (3) packing the goods ; (4) forwarding the packages for shipment ; (5) effecting marine insurance ; (6) shipping the goods, and preparing the necessary Customs and shipping documents ; (7) invoicing ; (8) securing exchange (when necessary) and drawing Bills of Exchange against shipments ; and (9) shipping goods "on consignment." We propose to deal with these operations in the above-named order.

1. ORDERS OR INDENTS.

The orders or indents received from abroad necessarily contain many more particulars than the orders used in the Home Trade. An export order usually consists of (1) detailed particulars of the goods ordered ; (2) very frequently, but not always, the price ; (3) the mode of packing ; (4) the time of shipment, or the time of arrival at the port of destination ; and (5) the means of reimbursement. These orders are frequently received by cablegram and confirmed by mail.

Orders received by a merchant or manufacturer in an inland town are usually confined to the staple productions of that particular town ; for example, in Manchester the orders are chiefly for cotton yarns and cotton goods ; in Bradford for yarns and pieces of worsted, mohair, alpaca, and silk ; in Sheffield, for cutlery, steel goods, and electro-plated wares ; in Birmingham, for lamps, jewellery, and hardware ; in Luton, for straw hats ; in Cardiff, for coal ; and so on ; but in London, the orders received comprise goods of the most varied description, ranging from a string of beads to a locomotive engine. Indeed it is not an uncommon thing for a London firm of commission merchants in the Eastern trade to receive by one mail, indents for soap, biscuits, perfumery, dress goods, lamps, whisky-brandy, port wine, hardware, cement, jewellery, sardines, and in, numerable other articles.

Each indent is usually written on a separate piece of paper (and continued on a second and third sheet if necessary), and is numbered consecutively. When there are several indents by the same mail, a summary of the indents by that mail is given on a separate sheet.

In the Eastern trade these indents are generally sent by a branch house or a European agent abroad, say at Calcutta, Bombay, Madras, Rangoon, Singapore, Shanghai, Hong-Kong, Yokohama, &c., but occasionally they are sent direct by the native dealer. From Australia, the Cape, Canada, and some other countries, the orders are generally received direct from the buyer. From the Continent they sometimes come direct but generally through an agent.

The following are a few specimens of orders received from abroad; in most cases they are written on blank sheets of paper :—

1. Indent from India (from a European firm).

BOMBAY, *July 30th*, 1898.

INDENT No. 9275.

To Messrs. WM. THURSTON & Co.,

LONDON.

4 Cases, 8 pieces each = 32 pieces 54 in. Worsted Tweeds, 30/32 yards.

Quality and finish as pattern No. 276.

Patterns as A to H. One piece of each pattern per case.

Selvage same as shown on pattern B.

Each piece to be rolled on a board, say 8 × 27 in., and wrapped in white cloth.

No ticket required.

Price—Market price in England, plus shipping and other charges.

Draft at 60 d/s, D/A.

Shipment not later than 15th October next.

Patterns as usual.

MONSON, BARLOW & CO.

2. Indent from India (from a native firm).

CALCUTTA, *5th September*, 1898.

INDENT No. 1232.

To Messrs. HENRY STEPHENSON & Co.,
MANCHESTER.

DEAR SIRS,

Please buy for us in Europe and ship on our account and risk, the following goods at undernoted limits, and draw on us for amount of invoice of same, usual shipping and other charges and 2½ per cent. commission, by a Bill of Exchange at 60 days' sight, which we hereby bind ourselves to accept immediately on presentation and to pay at maturity, or if not then to suffer all losses and expenses arising from failure to do so, and from a sale of said goods to be effected by you on our account and risk.

2,000 pairs, 44 in., 17 × 15, Grey Dhooties, 2/10 yards, 60/70.
Price—1/3, 15/16.
Shipment from Liverpool on or before 31st October next.
Stamp—Two-headed Swan.

Yours faithfully,
BUNDER, ABBAS & CO.

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3. Summary of Indents from Singapore (through a European House).

No. 1275, for R. Pillay & Co.

10 Cases assorted Jams, 1 lb. tins.
5 ,, Petits Pois.
10 ,, P. & C. Sardines in Oil, quarter tins.
All above from Crosse & Blackwell.

No. 1276 for Sin Laye.

50 Kegs Wire Nails, 1 cwt. each.
50 Barrels Portland Cement.

No. 1277 for own a/c.

100 Cases R.J.C. Whisky, our usual label.
50 ,, Salmon (good brand).
50 ,, Sardines (quarter tins), good quality.

4. Order from Australia.

Cable Address :—
"COMERCIO, SYDNEY."

397, QUEEN VICTORIA STREET,
SYDNEY, *22nd January*, 1898.

Messrs. Baywood & Carling, Dewsbury.

ORDER from HOPWOOD GREEN & CO.

SHIP *from London per P. & O. or Orient Steamer on or about 22nd May, 1898.*

MARK AND NUMBER HG 278, over Sydney. Measurements of cases to be marked on cases and stated on Invoices. Pack in zinc-lined cases.

FREIGHT to be paid in *London* and charged to us.

SHIP through *Messrs. John Penley & Sons, London.*

INVOICES AND BILLS OF LADING—Originals by first Overland Mail and Duplicates by the following mail. Also Invoice direct on goods leaving the Factory.

ALL DISCOUNTS AND ALLOWANCES to be shown on invoices to save Duty. Particulars of all charges to accompany invoice.

INSURANCE INSTRUCTIONS. Advise Messrs. Hopwood & Co., 29, Gordon Street, London, E.C., as Agents for the Australian Insurance Company, of shipment, declaring invoice value of goods and charges, with 15 per cent. added.

SAMPLES. Three sets of patterns 8 × 5 and one set 12 × 5, flat between cardboard, per post not later than April 21st. Put number on back of each pattern and enclose list of prices in the packet.

CUT $\frac{1}{8}$ yard of each pattern, and enclose in case with goods.

NOTE.—*Quality, Colours, and Weft* must be exact to sample ordered, otherwise omit.

GOODS *6 pieces 54 in. Coatings, 65/68 yards at 2/1 per yard.*

ASSORTMENT *1 piece each, patterns 3925, 3927, 3930, 3931, 3932, and 3935.*

TERMS *60 d/s dft on delivery, less 2½ per cent. discount.*

5. Order from the Continent.

No. 715.

Order from REUTER & SOHN,
BUCHAREST.

To Messrs. CHARLES STREET & Co.,
BRADFORD.

5 pieces 56/7 in. Coatings @ 3/6 per yard.
1 piece each pattern, 2430, 2432, 2425, 2431, and 2428.
Terms :—Cash on delivery, less $3\frac{3}{4}$ per cent. discount.

Shipping Instructions.

1. Invoices in duplicate.
2. Two sets of 7 × 10 in. patterns of each design, marked with number of piece.
3. Width in metres and centimetres (list included), and net weight in kilogrammes, of each piece, to be noted on invoice.
4. Marine insurance to be effected by you.
5. To be shipped through Messrs. Thos. Wilson & Sons, Hull, *via* Stettin.

2. EXECUTION OF THE ORDER.

When indents or orders are received, the first thing to be done is to ascertain whether they can be executed at the limits (i.e., the prices and terms) given. In some cases, such as indents for well-known brands of biscuits, jams, pickles, tinned meats, soap, &c., no limits are given, it being understood that the makers' prices for the day are to be paid. In such cases orders are sent off at once to, say, Huntley & Palmers, Crosse & Blackwell, and so on. When limits are given, it has to be ascertained whether they are practicable. This necessitates the firm's buyer visiting different manufacturers or agents, seeing the goods or samples of them, and bargaining about the price. This being satisfactorily arranged, a written order is sent to each firm confirming the purchase made verbally. In these orders instructions are given as to the assortment of the goods, tickets (if any), packing, marks and numbers to be put on the packages, and generally the port or dock to which the goods are to be sent, and the name of the vessel and her destination. For example, indent No. 3 given above would be transmitted to the makers of the goods by orders somewhat similar to the following :—

Order No. 324.

LONDON, *30th September*, 1898.

To Messrs. CROSSE & BLACKWELL, LTD.,
LONDON.

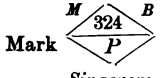
DEAR SIRS,

Please supply the undermentioned goods and charge to

Yours truly,

MELVILLE BOOTH & CO.

10 Cases Assorted Jams 1 lb. tins (6 dozen) @ 3/9 per dozen.
5 ,, Petits Pois..... ..... @ 66/-
10 ,, P. & C. Sardines in oil, quarter tins @ 64/-

Mark 

1/25
Singapore

To be shipped per steamer "Malay" for Singapore, South West India Dock, sailing 7th October.

Order No. 329.

LONDON, *5th October*, 1898.

To Messrs. DURAND & FILS,
ANTWERP.

DEAR SIRS,

Please supply the undermentioned goods and charge to

Yours truly,

MELVILLE BOOTH & CO.

50 Kegs Wire Nails, 112 lbs. each, @ 12/6.
Terms 5%, 30 days, F.O.B., Antwerp.

Mark

1/50
Singapore

Ship from Antwerp, per steamer for Singapore, not later than 21st inst. B/L to "order."

Order No. 325.

LONDON, 1*st October*, 1898.

To Messrs. BROWN, PINKERTON & Co.,
LONDON.

DEAR SIRS,

Please supply the undermentioned goods and charge to

Yours truly,
MELVILLE BOOTH & CO.

50 Barrels Portland Cement, 400 lbs. @ 5/6.
Terms 2½%, 1 month.

Mark

1/50

Deliver to South West India Dock, for shipment per steamer "Bookman" for Singapore, sailing 14th inst.

When the order is received by a merchant at the place where the goods are manufactured (for example, London, Manchester, Bradford, Leeds, or Birmingham), the goods are bought direct from the manufacturer, generally by means of a personal interview; but when the order is received by a London firm for goods manufactured elsewhere, copies of the orders are sent to the manufacturers by post, with forwarding instructions, &c., as mentioned above. In the case of *piece goods*, however, the goods are frequently bought through another merchant at the place of manufacture; for instance, an order for cotton goods received by a London merchant might be forwarded to a merchant in Manchester, an order for woollen or worsted goods might be sent on to a merchant in Bradford. The reason for this is, that the London merchant, being at some distance from the place of production, cannot exercise the same supervision over the goods as a person on the spot. The latter therefore assumes all responsibility as regards the proper execution of the order, for it must be remembered that when once goods are shipped, the exporter (in the absence of special circumstances) loses his right to claim on the manufacturer should any imperfections be found in the goods. In case of such imperfections the local merchant is responsible to the London merchant, who in turn is liable to his foreign customer. The

orders, whether sent direct to the manufacturer or to another merchant, are of course exact copies of those received, except that in some cases the price has to be modified in order that each merchant may secure his commission.—Here is a copy of an actual order given to a provincial merchant by a firm of commission agents in London, for the goods specified in Indent No. 1 above :—

B 727 LONDON, *August 5th*, 1898.

To Messrs. HALLINGS & Co.,
BRADFORD.

ORDER from WM. THURSTON & CO.

4 Cases 54 in. Worsted Tweeds, 30/32 yards, each case containing 8 pieces = 32 pieces.

Quality and Finish—*same as pattern 276.*
Assortment—*patterns as A to H. One piece of each pattern per case.*
Selvage—*same as shown on pattern B.*
Parcelling—*each piece to be rolled on a board, say 8 in. × 27 in., and wrapped in white cloth.*
Ticket—*none required.*
Samples—*as usual.*
Price—*2/8¼ net f.o.b. Birkenhead.*
Terms—*cash on receipt of B/L.*
Shipment—*per steamer "Devonshire," sailing from Birkenhead, Oct. 3rd.*
Marks and Numbers MB / Bombay *137/140.*

WM. THURSTON & CO.

This order would be acknowledged by filling up a printed form as follows :—

Bradford, 6th August, 1898.

Messrs. WM. THURSTON & Co.,
LONDON.

DEAR SIRS,

We are in receipt of your Contract, No. *B 727*, dated *5/8/98*, for *4 Cases Worsted Tweeds*, and hereby confirm the same.

Yours faithfully,

HALLINGS & CO.

3. PACKING THE GOODS.

In an inland town the packing is usually looked after by the exporter himself. In London and other large seaports, however, in cases where orders have been sent direct to the manufacturer in another town, the packing is usually attended to by the manufacturer, who also forwards the goods to the port of shipment when so instructed by the buyers.

In either case the packing must be carried out in strict accordance with instructions received. If no instructions have been sent, the mode of packing should conform to the recognised custom for the same class of goods for the same market, and care should be taken to so pack the goods as to minimise the risk of damage.

When goods are packed in *cases*, the cases should be of wood, lined with zinc or oilcloth, or waterproof paper (patent packing), as directed, and secured with iron bands (not strips of wood) nailed on to the outside. When packed in *bales*, the covering usually consists of paper next to the goods, then a sheet of cotton bagging or canvas, then a layer of tarpaulin or oilcloth, and double canvas outside of all. Sometimes lags or boards are used to cause the bales to retain their original shape. The bales should be well compressed and secured by iron hoops or ropes as may be desired. As far as practicable a package should contain only one class of goods, otherwise there may be trouble in passing the goods through the foreign Custom House.

In many cases freight is paid on the measurement of the packages, therefore in packing the goods no space should be lost consistent with the goods arriving in good condition. The exact size of the case required is ascertained by placing the goods in the position in which it is intended they shall be packed and then measuring them.

Many American exporters include the cost of packing in the price of the goods. In some cases this practice might be followed with advantage by British shippers. It is an irritating charge when shown separately, and might easily be done away with.

Hardware, tools, locks, hosiery, and small articles generally, should be put up in handy boxes properly labelled, instead of in

brown paper parcels, and made as attractive as possible. They should also be labelled on the top and at the ends.

Catalogues, pamphlets, and advertising matter generally may be inserted in the cases to fill up small spaces, but this should not be done without the consent of the buyer, as he does not usually wish his customers to know where he has purchased the goods.

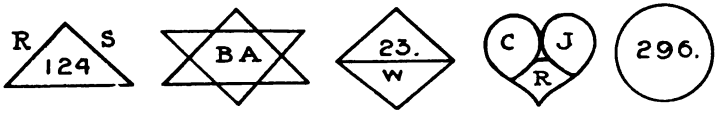
In order to facilitate handling, a package should not be too bulky, and in the absence of special instructions it is desirable to limit the weight to, say, 10 cwt. For certain countries (parts of South America, for instance, and mountainous countries generally) the weight should not exceed say 110 lbs., 220 lbs. being the maximum weight carried by mules—110 lbs. on each side. The following remarks by the British Consul at Bogota (Colombia) on this head are to the point:—

> Goods to arrive at any interior Colombian town must be packed for mule transport whenever this is possible, but the requirements for this particular form of transport vary according to the quality of the road over which the merchandise has to travel; on some roads, that is to say, a mule can carry a load that he could not on another; sometimes it is a question of weight, sometimes of length of the road, and whether the road is muddy, marshy, rocky, precipitous, or tortuous, with rocky defiles, &c.; and sometimes the load can only be transported by bullocks where mules cannot travel.
>
> Another question to be considered in packing is the equality of loads. A large consignment of merchandise packed in an infinite variety of shape, weight, and size may be kept waiting until each package can be paired; if this cannot be done with one of the same consignment, the carriers will pair it with one of another consignment, for which they will patiently wait months if necessary, to the loss and annoyance of the consignee, who perhaps will ultimately have to pay exorbitant special rates to obtain his goods, which careful packing might have avoided.
>
> Again the question of goods arriving in the dry or rainy season, some roads becoming almost impassable in the latter period, makes a difference as to the method of packing, and consequent economy in transport.
>
> Shipments that are too heavy for mule transport are conveyed by bullock carts in the few parts where a suitable road exists, or are carried on men's shoulders at enormous expense.

Marking.—Each package should bear a distinctive mark with a running number, and the port of destination should be added (below the mark usually) in bold letters. The measurements of each package should also be marked on the outside, and in some cases it is necessary to mark the gross weight, tare and net weight as well; these weights are often required to be stated in kilogrammes.

When goods of different kinds are going regularly to the same customer it is desirable to adopt a special mark for each class of goods, each package being numbered consecutively as despatched. This facilitates the storing of the goods on arrival.

Various devices are made use of for the marks (measuring 15 to 18 inches each way) on packages, the most common being letters or numerals (3 to 4 inches in height) within triangles, double triangles, diamonds, hearts, or circles, thus



CALCUTTA. VALPARAISO. RANGOON. SYDNEY. BOMBAY.

The letters usually represent the initials of the persons to whom the goods are shipped; the figures generally give the order or indent number.

Stencils (sheets of tin with the diagrams, letters, &c., cut out) are generally used for marking.

Patterns or samples of the goods should generally be sent to the customer, either by mail or with the goods (or both), and duplicates should be kept for reference. This is essential for shipments of yarns or piece goods, but it is not usually required for standard makes of goods, and it is obviously unnecessary for certain other articles, such as well-known brands of jam, pickles, biscuits, &c., though samples of such goods will be supplied by the makers when desired. When patterns or samples are sent they should bear the mark and number of the package or packages which they represent, and the invoice should state how the samples have been sent.

CHAPTER VI

THE EXPORTATION OF GOODS—*continued*

FORWARDING THE GOODS FOR SHIPMENT

When goods are forwarded by a firm carrying on business in an inland town the proceedure as regards shipping is very simple. The goods are usually sent to a shipping agent at the port where the vessel is loading, and this agent, for a small commission of so much per package, sees that the goods are put on board, attends to the Customs formalities, and takes out the Bill of Lading. In this case, all that the exporter has to do (after delivering the goods to the railway company, or carrier) is to fill up an **Advice Note** when forwarding the goods. This is sent to the shipping agent. It should contain full particulars of the goods, the name of the steamer or ship, the dock or port to which sent, the measurement or weight of the packages, and the value of the goods. These particulars should be stated very exactly, as they are necessary in order to enable the shipping agent to make the requisite Customs entries. The following is an example of an Advice Note in general use: —

MANCHESTER, *August 18th*, 1898.

From TIMOTHY JONES & Co.

To Messrs. Dockside Bros. & Co.,

Liverpool.

We beg to advise having forwarded the undermentioned goods per *L. & N. W. Ry.* to *Morpeth* Dock for shipment per SS. *"Chancellor"* to *Calcutta*; B/L to be made out *to our order.*

Marks.	Nos.	Pkgs.	Contents.	Value.	Measurements.			Yds.	Weights.		
					Ltl.	Bth	Dth		Cwts.	qrs.	lbs.
R B J Calcutta	*1001/8*	*8 Bls.*	*Cotton piece goods (grey)*	*£225*	*3·4*	*1·6*	*2·5½*	*32,000*			

A day or two afterwards a **Freight Note** similar to the following will be received in return, and the shipment of the goods is completed by the remittance of a cheque in payment of the freight and shipping charges :—

LIVERPOOL, *August 21st*, 1898.

Messrs. Timothy Jones & Co.,

Dr. to *Freight, &c., per S.S. "Chancellor,"*

For Calcutta.

MARKS AND NOS.	PACKAGES.	WEIGHT. Tons	cwts.	qrs.	lbs.	MEASUREMENTS. Ft.	In.	RATE OF FREIGHT	£	s.	d.
R B J Calcutta 1001/8	*= 8 Bales.*					*98*	*2*	*27/6*	*3*	*7*	*5*
						10	*% P*	*rim.*	-	*6*	*9*
	Carriage ...	...	...	...	...	...	...	...	-	-	-
	Cartage ...	...	...	...	...	...	...	...	-	-	-
	Dues ...	...	...	...	...	...	...	...	-	-	-
	B/Lading	...	...	...	...	...	...	...	-	*2*	-
	Commission	...	...	...	...	...	...	...	-	*1*	*4*
								£	*3*	*17*	*6*

Enclosed please find One set Bills of Lading for the above, which we trust you will find in order.

DOCKSIDE BROS. & CO.,
SHIP BROKERS,
LIVERPOOL.

The following is another example of an Advice Note. It will be noted that in this case the freight and shipping charges are charged "forward" (i.e., to the foreign buyers of the goods), and that the shipping agents are requested to cover marine insurance:—

SUNRISE MILLS,

BRADFORD, 16*th September*, 1898.

Messrs. Thos. Wilson, Sons, & Co., Limited,

Hull.

DEAR SIRS,

We have to-day forwarded the following Goods per *Midland Railway* Carriage *paid* to your *address* at *Hull*; which please ship per first steamer as directed below, on account of *Messrs. Schenker & Co., 55/6, Bishopsgate Street, London, E.C.*

Yours truly,

W. BROOK & CO.

For *Stettin.*

Please cover Marine Insurance for *£140* and charge to *our a/c.*
Shipping Expenses to be charged to *Messrs. Schenker & Co.*
Freight to *Messrs. Schenker & Co.*

Marks.	Nos.	Description of Packages.	Contents.	Gross Weight.	Net Weight.	Yards.	Value.
RA	*98/000*	*3 Trusses*	*Worsted Cloths*	*11 2 14*	*11 1 0*	*753*	£ *125 0 0*

In this case all that would be received from the shipping agent would be a Debit Note for the cost of the insurance. The Bill of Lading and Freight Note would be sent to the London firm.

SHIPPING GOODS ORDERED BY A LONDON HOUSE.

We now turn to cases where goods are ordered by a London firm from manufacturers or merchants in the provinces. In this case the London merchant, of course, has nothing to do with the forwarding of the goods from the inland town—that is done by the supplier of the goods in accordance with the London merchant's instructions. But if the goods are sent to London to the order of

the London firm, then that firm has to take out the shipping documents for the goods, just as the shipping agent has to do when goods are sent to him from an inland town.

The following are the three principal ways in which goods for export are ordered by a London firm :—

(1). In many cases the goods are bought f.o.b. (free on board) at a certain port, for example Manchester goods are frequently bought "f.o.b. Liverpool"—meaning that the supplier of the goods (i.e., the Manchester merchant or manufacturer) undertakes to have them put on board the vessel at Liverpool, his price including all charges up to and including putting the goods on board. In this case the merchant is relieved of the trouble of shipping, &c. The Bill of Lading is sent to him when ready.

(2). Very frequently the goods are ordered to be sent to a certain dock, in which case the dock company usually perform the actual shipping operations, when advised of the name of the vessel, and they afterwards forward the Dock Receipt or Mate's Receipt, as the case may be, to the London merchant, if, as is usually the case, he has a running account with the dock company for dock charges, otherwise these charges must be paid before the company will part with the receipt.

(3). In other cases the goods are forwarded to the London merchant direct, or to some London packer designated by him, and he then has to attend to the shipping, &c., himself.

Shortly after the orders have been given out (or "placed," as it is called) advices will begin to come in from the different firms stating that the goods have been sent forward, these advices being accompanied or shortly afterwards followed by (a) the Makers' Invoices, and (b) Dock or Mate's Receipts or the Bills of Lading. Two, and frequently three, press copies of the invoice are attached to the original invoice sent in by the manufacturer or supplier of the goods. The use of these copies will be explained shortly. After the invoice has been checked with the order, and the extensions, additions and other particulars ascertained to be correct, it is pasted into a Guard Book or filed in some other way for reference. The particulars are also entered in certain books, with which, however, we have now nothing to do.

SHIPPING NOTE.

No.....

London, *11 October* 1898

To

THE COMMANDING OFFICER OF THE

Steamship *"Bookman"*

SIR,

Please receive on board the undernoted Goods from Messrs. *Brown, Pinkerton & Co.*

and grant a clean receipt for the same.

N.B.—This Cargo is only shipped on the special understanding that the Chief Officer will sign for all counter or quality marks and numbers, and the Bales or Packages are not to be taken on board except on these terms.

In case of any dispute, the Shippers request prompt information in writing from one of the Officers of the ship.

Marks and Numbers.	Number of Packages.	Description of Goods.	
325 / SL *Singapore* *1/50*	*Fifty barrels*	*Cement*	

MATE'S RECEIPT.

No.....

London, *12th October,* 1898

Received on board the steamship *"Bookman"*

in good order and condition the undermentioned Goods from Messrs. *Brown, Pinkerton & Co.*

for *Singapore*

N.B.—The Chief Officer is requested not to take in any package unless he is prepared to sign for all the qualifying marks and numbers.

All packages in bad order must be returned.

Marks and Numbers.	Number of Packages.	Description of Goods.	
325 / SL *Singapore* *1/50*	*Fifty barrels*	*Cement*	

Arrived alongside *yesterday*

Discharged *to-day*

Returned

Remarks

(Signature) *J. Thompson* *Chief Officer.*

The Mate's Receipt already referred to is a document signed by one of the officers of the ship, by which he acknowledges having received on board the goods specified. This is usually attached to a **Shipping Note** or **Boat Note.** The ship's officer detaches the latter and retains it; the receipt, when signed, is returned to the person who delivers the goods. On the preceding page are specimens of these documents.

When goods are sent to a dock company for shipment by a particular steamer or ship, a shipping note in much the same form as that here given is used, except that it is addressed to the superintendent of the dock, instead of to the commanding officer of the vessel, and states to whom the dock dues are to be charged.

When a receipt such as that on the preceding page is given, it is called "a *clean* receipt"; if any remarks as to damage are inserted (such as "1 bale chafed," "1 cask leaking," &c.) it is termed "a *foul* receipt." See paragraphs headed "A Letter of Indemnity," page 64.

MARINE INSURANCE

As soon as the goods have been sent off, or advices are received of a shipment having been made, we must attend to the insurance. Very frequently a separate policy of insurance is required for each shipment. In this case a printed form, called an "Insurance Slip," must be filled up and sent to the insurance company or insurance broker with whom we deal. These Insurance Slips differ somewhat in detail, but substantially they are all in the same form. The following is a specimen of a form in general use :—

MANCHESTER, 28*th March*, 1898.

To the
National Marine Insurance Company, Ltd.

MANCHESTER BRANCH.

Please Insure

on *Goods,* per *S.S. "Carthage,"*

at and from *Liverpool* to *Bombay,*

£ *220* @ *6/8* % cent £

Policy in name of *Henderson & Co.*

Do. to Debit of *do.*

No.

Marks and Numbers

P J

1/5

5 Bales Cotton Goods.

The amount to be insured (or "declared," as it is termed) is arrived at by taking the amount of the manufacturers' invoice, adding an estimated amount for freight and other charges, and then adding further, say, 10 (or 15) per cent. on the gross amount to cover estimated profit and other contingencies, thus :—

	£
Manufacturers' Invoice	120
Freight, &c.	4
Commission and Insurance...	3
	127
Plus 10%...	13
	£140

Odd shillings and pence are always excluded from the amount declared, and this is generally made up to the nearest £5 or £10 above the actual amount. Thus, if the amount, as calculated above, came to, say, £158, the amount declared would be £160; if the actual amount were £153, the amount declared would be £155, and so on. The policy is received a day or two after the Insurance Slip has been sent in.

Very often a merchant takes out a "floating policy," covering *fire* insurance on goods which may be at any time lying at the docks. Where this is not done, the arrangement with the Marine Insurance Company should be made to include fire insurance whilst the goods are lying in the warehouse at the docks or on the dock side.

With large concerns doing a purely merchanting business (as distinguished from a commission merchants' or agency business), a floating policy for marine insurance is taken out for an amount regulated by the extent of the business, and each shipment is declared against and entered on the back of this policy, instead of a separate policy being issued in each case.

The details of the policy, and the subject of marine insurance generally, are dealt with fully in a subsequent chapter, and therefore need not now be gone into.

The buyer of the goods should always be advised whether marine insurance has or has not been covered. In the absence of any express stipulation, the exporter is responsible in case the goods are lost at sea, as will be seen from the following extract from the Sale of Goods Act, 1893 (Section 32, Sub-section 3):—

> "Unless otherwise agreed, where goods are sent by the seller to the buyer by a route involving sea transit, under circumstances which it is usual to insure, the seller must give such notice to the buyer as may enable him to insure them during their sea transit, and, if the seller fails to do so, the goods shall be deemed to be at his risk during such sea transit."

CHAPTER VII

THE EXPORTATION OF GOODS—*Continued*

SHIPMENT OF GOODS

1.—THE BILL OF LADING.

As already mentioned, when the goods are forwarded from an inland town to a shipping agent at the port of shipment, the shipping agent himself takes out the Bill of Lading; but when the exporter attends to the shipment of the goods, this operation has to be performed by the latter.

The Bill of Lading is one of the most important documents used in commercial affairs. It is a document signed by the captain or agent of a steamer or ship ("ship" means a sailing vessel) acknowledging to have received on board certain specified goods and undertaking to deliver the same on certain conditions at the place named in the Bill of Lading to the person named or "to order." The freight payable is usually stated on the Bill of Lading.

Bills of Lading are not all exactly alike—each shipowner, as a rule, has his own form—but they do not differ materially one from another. The following is a specimen of a steamer Bill of Lading:—

STAMP
6d.

Shipped in good order and condition, (*a*) by *John Cross & Co.*, of LIVERPOOL, as Agents, in and upon the good Steamship called the

Palmyra,

whereof *Williams* is Master for this present Voyage, and now lying in the Port of LIVERPOOL, and bound for

Malta,

with liberty to proceed to and stay at any intermediate Port or Ports, in any rotation, for the purpose of trading, or for any other purpose whatsoever; and with liberty to sail with or without Pilots, to tow and assist Vessels in all situations, and to carry goods of all kinds, dangerous or otherwise.

One Hundred and Forty-Six **PACKAGES MERCHANDISE,**

B 1/146 =
Malta
146 Cases Bottles

being marked and numbered as per margin (*b*), and also specially marked upon each Package by the Shippers, before shipment, with the name of the Port of Destination in letters not less than two inches long (without which the Owners are not to be held liable for correct delivery), and to be delivered from the Ship's deck (where the Ship's responsibility shall cease) in the like good order and condition, at the aforesaid Port of *Malta*, or so near thereunto as she can safely get (the Act of God, the Queen's Enemies, Pirates, Robbers, Thieves, Barratry (*g*) of Master or Mariners, Restraint of Princes, Rulers, and People, Fire, Vermin, Rain, Spray, Sweating, Leaking, Breakage, Rust, Decay, insufficiency of Wrappers and Package, and all injury to the same, and all damage arising from Errors, Obliterations, insufficiency or absence of Marks, Numbers, Addresses, or description of any goods shipped; risk of Lighterage (*d*), to and from the Vessel or Craft or Hulk, or Transhipment, Explosion, Heat, Fire at any time and place whatever, Boilers, Steam, or Machinery, and the consequence of any damage to or defect in Boilers or Machinery, Collision, Stranding, Steaming, Jettison (*f*), or any other Peril of the Sea, Rivers, Navigation, or of Land Transit, of whatsoever nature or kind, and whether any of the Perils, causes, or things above-mentioned or the loss or injury arising therefrom, be occasioned by the wrongful act, default, negligence, or error in judgment of the Owners, Pilot, Master, Officers, Crews, Stevedores, or other persons whomsoever in the service of the Ship, or for whose acts the Shipowner would otherwise be liable, or by unseaworthiness of the Ship at the commencement of the voyage, provided all reasonable means have been taken to provide against such unseaworthiness or otherwise howsoever, excepted), unto

	ft.	in.
Freight on 1097	1	
@ 10/- per Ton	£13	14 3
10 % Primage	1	7 5
Total	£15	1 8

ORDER or to his or their Assigns (*c*).
Freight for the said Goods as per margin, to be paid by Shippers in Liverpool (free of interest), on or before departure of the vessel. General Average according to York and Antwerp Rules.

Weight, Measure, Quality, Condition, Brand, Contents, and Value unknown, and the Shipowner not accountable, in any way for same.

Not accountable for any Goods of whatever description which are above the value of £100 per package, unless the value be herein expressed, and extra freight, as may be agreed on, paid; nor for Money, Gold, Silver, Bullion, Specie, Precious Metals, Manufactured or Unmanufactured, Plated Articles, Glass, China, Jewellery, and Articles used for Jewellery, valuable and Precious Stones, Watches, Clocks, Timepieces, Mosaics, Bills, Bank Notes of any country, Orders, Notes, or Securities for payment of any Money, Stamps, Maps, Title Deeds, or other Documents of any nature whatsoever; Paintings, Pictures, or Statuary, Quinine, Silk, Laces, Furs, or Cashmere, Manufactured or Unmanufactured, made up into Clothes or otherwise, unless Bills of Lading are signed therefore, with the value thereof therein expressed, and extra Freight, as may be agreed upon, be paid.

The Goods to be discharged from the Ship as soon as she is ready to unload, into Hulk, Lazaretto, or Hired Lighter, by the Agents of the Owners of the Vessel, at the Shippers' or Consignees' risk and expense.

The Shipowner is not liable for any loss, detriment, or damage to any goods which are capable of being covered by Insurance, nor for any claim of which notice is not given before the removal of the goods, nor for any claim for damage to or detention of any goods where the damage is done or detention occurs while the goods are not in the possession of the Shipowner, nor in any case for more than the declared or invoice value of the Goods, whichever shall be least.

Goods of an inflammable, explosive, or otherwise dangerous nature, shipped without permission and without full disclosure of their nature, whether the Shipper be aware thereof or not, may be seized and confiscated or destroyed by the Shipowner at any time before delivery, without any compensation to the Shipper, Consignee, or Owner.

All fines and expenses, losses or damages, which the Shipowner or his Agents or Servants or the Ship or Cargo may incur or suffer on account of incorrect or insufficient marking or description of any packages or their contents, or the dangerous nature of their contents (whether the Shipper be aware thereof or not), shall be paid by the Shipper or Consignee, whether they or he be Agents or Principals, as may be required, and the Shipowner shall have a lien and right of sale over the goods for payment thereof.

Freight payable by Shipper to be paid Ship lost or not lost. The Shipowner shall have a lien on all Goods for payment of Freight, whether payable in advance or not.

In case any part of the within-named goods cannot be found for delivery during the vessel's stay at the port of discharge, they are to be sent back at Ship's expense by first opportunity when found; the Steamer not to be held liable for any loss arising from such overcarriage. In the event of the said Steamer putting back to Liverpool or into any other Port, or otherwise being prevented from proceeding in the ordinary course of her voyage, the Shipowners to have liberty to tranship the goods by any other Steamer at Ship's expense but Shipper's risk.

In WITNESS whereof the Master or Agent of the said Ship hath affirmed to three Bills of Lading, all of this tenor and date, the one of which being accomplished, the others to stand void.

Dated at LIVERPOOL, the 19*th* day of *April*, 1898.

JOHN WILLIAMS, *Master.*

The letters *a* to *g* used in the above Bill of Lading refer to the explanations on pages 62-63.

The clauses given above are found in most Bills of Lading. Some Bills of Lading, however, are very formidable documents, and contain a great number of clauses—frequently printed in such small characters that it is almost necessary to use a microscope to read them. The carriage of merchandise by rail is regulated by Act of Parliament, and it would be an advantage to British traders if carriage by sea were similarly regulated, and a standard form of Bill of Lading prescribed. As it is, each shipowner chooses his own form of Bill of Lading, and shippers have no option but to accept it, however objectionable the clauses may be. It should, however, be observed that all shipowners do not interpret these clauses according to the strict letter of the law; they generally construe them liberally when reasonable claims are made.

The following is a specimen of a sailing ship's Bill of Lading. It will be noted that this is a much simpler document than that used for shipments by steamer.

C J S
R I *1/500*

500 Bales Cotton.

Shipped in good order and condition by *Bradshaw & Co.*
on board the Ship *"Millicent"* whereof
is Master for this present voyage *John Smith*
lying in the Port of *Bombay*
and bound for *Liverpool*
Five Hundred Bales of Cotton being marked and numbered as per margin,
and to be delivered in the like good order and condition at the aforesaid
Port of *Liverpool*

(The Act of God; the Queen's enemies; loss or damage from fire on board, in hulk or craft, or on shore; any act, neglect or default whatsoever of Pilots, Master or crew in the navigation of the Ship in the ordinary course of the voyage; and all and every the dangers and accidents of the seas and rivers, and of navigation of whatever nature or kind, excepted.)

unto *Order*
or to his or their assigns. Freight to be paid for the said goods at the
rate of *Thirty shillings per ton,*
without discount, but otherwise subject to the customary mode of payment.
Average as accustomed. In the event of claim for short delivery, price to be
the market price of the day at Port of discharge on the day of the Ship's
reporting at the Custom House, less charges and brokerage.

Weights, contents, and value unknown.

Freight on 5,200 ft.

@ 30/- per ton	...	£156	0 0
Primage 10 %	...	15	12 0
		£171	12 0

In witness whereof the Master or Agent of the said has signed
three Bills of Lading, exclusive of the Master's copy, all of this tenor
and date, one of which being accomplished, the others to stand void.
Dated at Bombay, *3rd September*, *189 8*.

John Smith.

These forms can be obtained from commercial stationers in London and the provinces at a small charge. When filled up in this country, they are taken to the shipowner or his agent, with the Mate's Receipts or Dock Receipts attached, together with a cheque for the amount of the freight. They are then compared with the captain's list of cargo taken on board the vessel, and, if found correct, are signed by, or on behalf of, the shipowner or captain, and are afterwards returned to the exporter, on application.

Care must be taken that the particulars of the goods are accurately stated. In some countries (for example, Spain, Portugal, and South America generally) the regulations regarding Bills of Lading are very stringent, and great inconvenience and expense is sometimes incurred at the port of arrival in consequence of inaccuracies in the Bills of Lading for goods imported.

When a Bill of Lading is made out to "order" it is transferable by endorsement in the same manner as a Bill of Exchange. It may also, like the latter document, be endorsed "specially" (i.e., to a particular person, firm, or bank, &c.) or "generally" (i.e., in blank). In the latter case the goods are deliverable to the person who presents the document, the holder of a Bill of Lading being deemed to be the true owner of the goods.

Bills of Lading are usually made out in sets of two or three, each one of which, to be effective, requires a sixpenny stamp, which, like the stamp on a Bill of Exchange, must be impressed before the document is signed. A Bill of Lading cannot be stamped after it is signed, and any person who executes a Bill of Lading not duly stamped is liable to a penalty of £50. One copy of the Bill of Lading is sent by the merchant to the consignee by post; one is very frequently sent to the same address by the steamer carrying the goods (in an envelope addressed to the consignee), so that if the steamer arrives before the mail—which sometimes happens—there is no delay in obtaining delivery of the goods; and the third copy the exporter keeps himself for reference. These three copies have sometimes printed across the face the word *Original*, *Duplicate*, or *Triplicate*, as the case may be, corresponding with the *First*, *Second*, and *Third* of a Bill of Exchange. (It will be noticed that the Bill of Lading contains the clause "In witness whereof the Master or Agent of the said ship hath affirmed to three Bills of Lading, the

one of which being accomplished the other to stand void," thus corresponding to "the Second and Third being unpaid" of a Bill of Exchange.) In addition to these two or three copies, an unstamped copy is made out for the captain; this is called the "Captain's Copy," and is retained by the agent of the ship, and afterwards handed to the captain with the other ship's papers. Very often the copy kept by the exporter is also unstamped, in order to save the stamp duty, but it must not be signed, otherwise the penalty is incurred. It will thus be seen that three copies at least (sometimes four) are required to be made out for each shipment.

Like a Bill of Exchange, a Bill of Lading is a negotiable document, but Bills of Lading do not require acceptance, and any one copy, provided it has been honestly come by, is sufficient to give a title to the goods. Therefore banks who advance money against these documents are always careful to see that they are in possession of all the copies, or the "full set," as it is called.

The *Parties* to a Bill of Lading are—the *Shipowner*, the *Shipper*, and the *Consignee*.

The principal clauses in a Bill of Lading are those specifying the parties to it, the ship, the voyage, the goods shipped, the delivery, and the freight.

The following are probably the only clauses that need any explanation (see steamer Bill of Lading, page 58):

(*a*) "*Shipped in good order and condition.*" This refers to the external appearance of the packages. The ship's officers cannot be expected to open each package to ascertain whether the contents are in good condition, therefore to safeguard the shipowners a further clause is inserted, viz. (*e*) "*weight, measure, quality, contents, and value unknown.*"

(*b*) "*Marked and numbered as per margin.*" Packages of merchandise sent abroad do not bear the address of the person to whom they are sent, because that person might wish to resell the goods without unpacking them, the packages being in that case forwarded to the new buyer as received; an address on the package would therefore be inconvenient. In order to distinguish the packages one from another, a distinctive mark for each class of goods is made use of, and each package of the lot

numbered consecutively; thus a lot of four bales shipped to Messrs. Morgan, Brown & Co., Bombay, might be marked $\frac{MB}{B}$ 276, 277, 278, and 279, such marks and numbers being always quoted when referring to the goods, whether in the Bills of Lading, the Invoices, or letters, &c.

(*c*) "*Assigns*" means the person or persons to whom the goods are assigned or made over by the owner of them. This is usually done by endorsement on the Bill of Lading.

(*d*) "*Lighterage*" means the cost of conveying the goods in lighters (or barges) from the quay to the ship, or *vice versâ*.

(*f*) "*Jettison*" means the act of throwing goods overboard or cutting away the mast or rigging to lighten a vessel when in distress, or when in danger of capture.

(*g*) "*Barratry*" means any illegal act of the master or crew (such as unwarrantably deserting the vessel) or wilful damage to the vessel (such as by scuttling her).

The title of the holder of a Bill of Lading is defined in the Bills of Lading Act, 1855, of which the following is a copy:—

1. Every consignee of goods named in a Bill of Lading, and every endorsee of a Bill of Lading, to whom the property in the goods therein mentioned shall pass upon or by reason of such consignment or endorsement, have transferred to and vested in him all rights of suit, and be subject to the same liabilities in respect of such goods as if the contract contained in the Bill of Lading had been made with himself.

2. Nothing herein contained shall prejudice or affect any right of stoppage in transitu, or any right to claim freight against the original shipper or owner, or any liability of the consignee or endorsee by reason or in consequence of his being such consignee or endorsee, or if his receipt of the goods by reason or in consequence of such consignment or endorsement.

3. Every Bill of Lading in the hands of a consignee or endorsee for valuable consideration, representing goods to have been shipped on board a vessel, shall be conclusive evidence of such shipment as against the master or other person signing the same, notwithstanding that such goods or some part thereof may not have been so shipped, unless such holder of the Bill of Lading shall have had actual notice at the time of receiving the same that the goods had not been in fact laden on board: Provided that the master or other person so signing may exonerate himself in

respect of such misrepresentation by showing that it was caused without any default on his part, and wholly by the fraud of the shipper, or of the holder, or some person under whom the holder claims.

2. A LETTER OF INDEMNITY.

The shipowner is responsible for any damage done to the goods, other than damage such as is covered by the clauses in the Bill of Lading; therefore, if a package is found to be chafed, broken, or otherwise damaged when the goods are received on board, this is noted on the Mate's Receipt, and frequently on the Bill of Lading also. The latter document is then said to be a "foul" Bill of Lading. A "clean' Bill of Lading is one containing nothing beyond the usual particulars as to marks, shipper, consignee, freight, &c. A banker always looks with suspicion upon a "foul" Bill of Lading, because a claim, whether justifiable or not, is almost certain to be made on arrival of the goods; therefore, when a Mate's Receipt contains any remark denoting damage it is customary for the shipper to give a "Letter of Indemnity" to the agents or captain of the steamer, in order to secure a "clean" Bill of Lading. This letter of indemnity is usually made out in a form somewhat similar to the following:—

MANCHESTER, *21st December, 1898.*

To the Captain
of the S.S. "Bokhara," Liverpool to Calcutta.

DEAR SIR,

In consideration of your signing clean Bills of Lading for

$^{MB}_{C}$ 276/9 4 Bls. Cotton Piece Goods

shipped by us per your steamer, the Mate's Receipt for which states "1 Bl. chafed," we hereby undertake to indemnify you against any claims that may be made on account thereof on arrival of the steamer at Calcutta.

Yours faithfully,

JAMES MORGAN & SONS.

This letter, if accepted, is attached to the "Captain's Copy" of the Bill of Lading for the goods in question. If, on arrival of the vessel, a claim is made and paid in respect of such damage, it is recovered from the shippers.

3. FREIGHT.

Freight means the sum payable to the shipowner or his agent for the conveyance of the goods from the port of shipment to the port of destination. Freight is payable in a variety of ways; it may be

Per lb., as in the case of wool from Australasia.
Per bushel, as in the case of wheat from the United States.
Per package, as in the case of cement, &c.
A lump sum, for a steam boiler, for instance.
Per ton weight, usually for heavy goods, such as steel rails, iron bars, &c.
Per ton measurement, usually for "light goods," such as yarn, piece goods, crockery, hats, &c.

When freight is paid by measurement, a ton by *steamer* is generally 40 cubic feet, by *sailing* vessel it is usually 50 cubic feet.

To ascertain the cubic contents of a package, the extreme outside measurements are taken and are then multiplied together—in feet, inches, and twelfths of inches. Thus, to find the cubic contents of two packages, one measuring 3 ft. 4 in. long by 1 ft. 4 in. deep by 2 ft. 4 in. broad, and the other 3 ft. 1 in. by 1 ft. 2 in. by 2 ft. 8 in., the calculations are as follows :—

	ft.	in.		
length	3	4		
depth	1	4		
	3	4		
	1	1	4	
	4	5	4	
width	2	4		
	8	10	8	
	1	5	9	4
	10	4	5	4

or 10 ft. 4½ in.

	ft.	in.		
length	3	1		
depth	1	2		
	3	1		
	0	6	2	
	3	7	2	
width	2	8		
	7	2	4	
	2	4	9	4
	9	7	1	4

or 9 ft. 7 in.

To ascertain the freight payable, the total cubic measurement of the packages is multiplied by the rate of freight. The usual method of doing this is to reduce the rate per ton to so much per

foot, thus 40/- per steamer ton is 1/- per foot, 25/- per sailing vessel ton is 6d. per foot, and so on. The following table will be found useful in calculating freights :—

	Per ton of	
	40 cubic feet.	*50 cubic feet.*
	s. d.	s. d.
20/-	0 6 per foot.	0 4⅘ per foot.
21/3	0 6⅜ ,,	0 5 1/16 ,,
22/6	0 6¾ ,,	0 5⅗ ,,
23/9	0 7⅛ ,,	0 5 7/16 ,,
25/-	0 7½ ,,	0 6 ,,
26/3	0 7⅞ ,,	0 6 1/16 ,,
27/6	0 8¼ ,,	0 6⅗ ,,
28/9	0 8⅝ ,,	0 6 9/16 ,,
30/-	0 9 ,,	0 7⅕ ,,
31/3	0 9⅜ ,,	0 7 5/16 ,,
32/6	0 9¾ ,,	0 7⅘ ,,
33/9	0 10⅛ ,,	0 8 1/16 ,,
35/-	0 10½ ,,	0 8⅖ ,,
37/6	0 11¼ ,,	0 9 ,,
40/-	1 0 ,,	0 9⅗ ,,
42/6	1 0¾ ,,	0 10⅕ ,,
45/-	1 1½ ,,	0 10⅘ ,,
47/6	1 2¼ ,,	0 11⅗ ,,
50/-	1 3 ,,	1 0 ,,

In addition to the freight, there is generally a charge of 10 % for "primage," thus freight is generally said to be at, say, "27/6 and 10 % primage." Primage was formerly a gratuity paid to the captain of the steamer for taking care of the cargo, but it is now considered part of the freight, and goes into the pockets of the shipowner. This way of quoting is the general custom, but shipowners might just as well say 30/3, instead of "27/6 and 10 % primage." It is merely a matter of reckoning, though one of our Consuls abroad appears to consider the 10 % as a commission (on the freight) charged by the exporter !

4. CUSTOMS FORMALITIES.

Within six days of the final "clearance" of the vessel, the Customs "**Specification**" must be made out and delivered to the proper officers at the Custom House at the port of shipment. There are two forms in use for this purpose—one (on white paper) for

goods produced or manufactured in the United Kingdom; the other (on pink paper) for goods produced abroad, i.e., goods imported from abroad and re-exported. These forms (which are printed on foolscap sized paper) may be obtained from most commercial stationers in London and other ports. A specimen of each form is given on the following two pages.

The filling up of these forms is extremely simple, as will be seen. The only possible difficulty is with regard to the description of the goods. This has to be in accordance with the "**Official Export List**," which is a list formulated by the Customs officials, and shows the different headings under which the various kinds of goods must be entered, as it would obviously be impossible to have a separate heading for each class of goods. This list may be obtained from the Government printers, Messrs. Eyre & Spottiswoode, London, price 2d. The following is an extract:—

Articles.	Revised Denomination under which included.
Cotton Bags	Bags.
,, Fents	Cotton Piece Goods, printed or dyed.
,, Fustians	,, ,, ,, dyed.
,, Piece Goods of Mixed Material	,, ,, ,, of Mixed Material, Cotton predominating (to include only those goods that, although mixed with other materials, yet maintain the character of, and are generally known as, Cottons).
,, Yarn Waste ...	Goods, manufactured, unenumerated.
Counterpanes, Cotton ...	Cotton Manufactures, unenumerated.
Coverlets, Woollen ...	Woollen Manufactures: Rugs, &c.
Cows and Calves... ...	Animals: Bulls, Oxen, &c.
Cranes, Steam	Machinery, Steam, other kinds.
Crank Shafts	Machinery, Steam, other kinds.
Crape, Cotton	Cotton Piece Goods, dyed.
Crape, Silk	Silk Broad Stuffs.
Cream of Tartar	Chemical Products.
Creosote	Coal Products.
Cretonnes	Cotton Piece Goods, printed.
Cricketing Materials ...	Goods, manufactured, unenumerated.
Crucibles, Clay	Earthenware: Red Pottery, &c.
,, Iron	Iron Manufactures, unenumerated, wrought.
,, Plumbago ...	Goods, manufactured, unenumerated.
Cudbear, British prepared	Dye Stuffs, other sorts.
Culm	Coal and Culm.
Curtains, Cotton (Lace) ...	Cotton Lace, &c.
,, Cotton (not Lace)	Cotton Manufactures, unenumerated.
Cutlasses	Arms and Ammunition: Swords, Cutlasses, &c.
Cycles	Carriages: Cycles and Parts thereof.

*SPECIFICATION for British and Irish Goods only.

Port of *Liverpool* Ship's Name *Salisbury* *Robinson* Master, for *Calcutta*

Date of Final Clearance of Ship ...

* The Specification of Goods exported must be delivered to the proper Officers of Customs within six days from the time of the final clearance of the ship, as required by the Customs Laws.

Marks.	Nos.	Number and Description of Packages.	Quantity and Description of British and Irish Goods, in accordance with the requirements of the Official Export List.	Value.	Actual Destination of the Goods.
J C	*41/50*	*10 Bales*	*Cotton piece goods, grey, 20,000 yards*	*£130*	*Calcutta.*
R W C	*201/5*	*5 Cases*	*,, ,, ,, bleached, 10,000 ,,*	*£80*	*,,*
B & Co.	*2965*	*1 Case*	*Worsted tissues, narrow, all wool, 250 ,,*	*£40*	*,,*
			Total ...	*£250*	

I declare that the particulars set forth above are correctly stated.

(Signed) *Steele, Brand & Co., Agents,*

Dated *11th November*, 189*8*

(Countersigned) ...

(Address) *739, Water Street, Liverpool.*

Officer of Customs.

*** SPECIFICATION for Foreign Goods free of Duty, or on which all duties have been paid.**

Port of *London* **Ship's Name** *Malay* **Master, for** *Singapore*

Date of Final Clearance of Ship *7th October*

* The Specification of Goods exported must be delivered to the proper Officers of Customs within six days from the time of the final clearance of the ship, as required by the Customs Laws.

Marks.	Nos.	Number and Description of Packages.	Quantity and Description of Foreign Goods, in accordance with the requirements of the Official Import List.	Value.	Actual Destination of the Goods.
327 / B M	*1/50*	*50 Cases*	*Fish, cured ; Salmon, 20 cwt.*	*£185*	*Singapore.*
328 / B M	*1/50*	*50 Cases*	*do. do. ; Sardines, 23 cwt.*	*£75*	*do.*
			Total ...	*£260*	

I declare that the particulars set forth above are correctly stated.

(Signed) *Melville Booth & Co., Exporters,*

Dated *8th October*, 189 *8*

(Address) *Sackville Street, London.*

(Countersigned) *Officer of Customs.*

The quantities of the goods have also to be stated in tons, cwts., lbs., yards, dozens, &c., in accordance with the Customs regulations, and the value must be given in each case. These particulars are required for statistical purposes; and in order that the statistics may be correct, it is important that the particulars be accurately stated. When goods are shipped through a shipping agent, that individual, of course, attends to all the Customs formalities. It is very desirable that in every case the *ultimate* country of destination be stated.

The Customs formalities above described are applicable only to "free goods" (i.e., goods not liable to duty). The Customs formalities respecting Dutiable (or Bonded) goods are dealt with in Chapter VIII.

Shut-outs.—Sometimes a steamer is unable to take on board all the goods sent down for shipment. Those not taken on board are said to be "shut out" or "short shipped." The documents made out for them are cancelled, and everything of that kind has to be begun *de novo*, when the goods are to be shipped by another vessel.

A Drawback is the giving back of duties previously paid on merchandise, when such merchandise is received into warehouse or re-exported, e.g., British manufactured tobacco and snuff, compounded spirits (unsweetened), British liqueurs, beer, roasted coffee, wines, &c.

A Debenture is a Custom House certificate entitling the exporter of certain commodities to a drawback of duty.

A Bounty is a premium paid by the Government of a country to exporters of certain commodities, chiefly with a view to enabling them to undersell foreign competitors. There are no bounties paid in this country, but Germany, France, and other countries give them—on sugar, for instance—the object being to enable producers to undersell foreign competitors.

An Allowance is a sum granted to the distiller or rectifier of British spirits, on such spirits being deposited in warehouse or exported, to compensate for loss due to Excise restrictions.

5. CERTIFICATES OF ORIGIN, &c.

When goods are shipped to certain countries, a "Certificate of Origin" is required. This is a document in a form prescribed by the Government concerned, and signed by an authority designated by such Government, certifying to the country in which the goods have been produced or manufactured. In the United Kingdom these certificates are issued chiefly by the Chambers of Commerce in the principal towns. Distinct forms of certificate are required by each foreign country. Formerly Switzerland and Russia required these documents for goods exported from the British Isles, but they are now dispensed with. The reason for the use of these documents is the higher rates of duty levied by the countries in question, owing to a "tariff war" with another country, on goods imported from one of these countries into the other. Goods from other countries are admitted at lower rates, and in order to obtain the benefit of these lower rates certificates have to be produced proving that the goods are really the produce or manufacture of countries not concerned in the "tariff war." During recent years there have been tariff wars between Switzerland and France (lasting two-and-a-half years), between Germany and Spain (lasting two years), between Germany and Russia (lasting nine months), and between France and Italy (lasting for nine years, and only just come to an end).

For *Italy*, the certificate may be made out in the language of the country of origin, and the signature of the secretary of a Chamber of Commerce is sufficient; but for *Spain* the certificate must be wholly in French or wholly in Spanish, and the signature of the Chamber of Commerce official must be *visé* by the Spanish Consul of the district whence the goods are exported.

For *Canada*, a Declaration of Origin has to be made by the exporter in order to obtain the reduction of 25 % of the import duty now granted on goods manufactured in the United Kingdom, India, New South Wales, &c. This declaration must be written, printed, or stamped on the back of the invoice.

Specimens of the forms above mentioned are given on the following pages.

Certificates of Origin will also be required for *Japan* after 1st January, 1899.

Certificate of Origin for goods exported to Italy.

CAMERA DI COMMERCIO DI BRADFORD, INGHILTERRA.

CERTIFICATO D'ORIGINE.

I *John William Barker* duly authorised Agent of the firm *Charles Street & Co.* of *Bradford* **do solemnly sincerely, and truly declare** that the following goods, viz:—

Marks.	Numb'rs	No. and Description of Packages	Quantity and Description of Goods.	Gross Weight in Kilograms.	Value.
R C C	3721	1 Bale	7 Pieces Worsted Coatings, all-wool	94	£35
	3722	1 ,,	12 ,, ,, ,,	171	£77

Forwarded on the *16th* day of *September, 1898,* by steamer *"Palermo"* to (Consignee) *Guiseppe Giardini* at *Naples* are of **British Manufacture** or origin, and have not been imported into this country from any French Port.

No. *3733* Visto alla Camera di Commercio in Bradford, buono per conferma della presente Dichiarazione, da valere qual Certificato d'origine.

Subscribed and declared this *17th* day of *September* 189*8*

John William Barker

Fredk. Hooper
Il Segretario.

Bradford, *17th September,* 189*8*

Certificate of Origin for goods shipped to Spain by a merchant.

CAMARA DE COMERCIO DE BRADFORD, INGLATERRA.

CERTIFICADO DE ORIGEN.

El abajo firmado, Secretario de la Camara de Comércio de Bradford, Inglaterra, certifica que : *John Bentley,* Comerciante ó negociante de esta plaza y cuya personalidad para el efecto es reconocido por mi, domiciliado en *Bradford* calle de *Bridge No. 379* ha declarado ante mi, bajo su responsabilidad, que las mercancías designadas á continuación son de orígen y fabricación **Inglesa,** conforme á las facturas fidedignas que me han sido presentadas por el expedidor y cuyas mercancías se destinan á *Valencia* á la consignación de *Rodrigo Trigrero* comerciante ó industrial en *Valencia, calle de Santiago No. 37.*

Número y clase de bultos.	Marcas.	Numeración.	Peso Bruto. ——— Kilogramos.	Contenido.
1 Caja	*R T*	*5762*	*470*	*Tejidos de lana*

Declarado asi bajo mi responsabilidad.

Num *1574*

John Bentley, Bradford, *23* de *Agosto* de 189 *8*

(firma del declarante).

Fredk. Hooper,

Secretario de la Cámara de Comércio de Bradford, Inglaterre.

Visado Consular Núm *5709*

Visto en este Consulado para legalizar la precedente firma de la Autoridad,

Latimer Darlington,

Vice Consul de España en Bradford.

La validez de este certificado expirará tres meses después de la fecha del visado.

CERTIFICATE OF ORIGIN FOR CANADA.

[*Printed on the back of the Invoice.*]

(Form of Certificate ("B") prescribed to be written, printed, or stamped on invoices of all articles *except raw and refined sugars*, for entry under the British Preferential Tariff of Canada, *when made and signed by a person other than an individual exporter.*)

I, *William Neville,* hereby certify that I am *the Manager* of *Collier, Gates & Co.,* of Bradford, England, the exporters of the articles included in this invoice, and that I am duly authorised to make and sign this certificate on behalf of the said exporter.

I have the means of knowing and I do hereby certify that this invoice from the said *Collier, Gates & Co.* to *Barton, Macdonald & Co.,* amounting to *One hundred and twenty-five pounds six shillings and sixpence,* is true and correct; that all the articles included in the said invoice are *bonâ fide* the produce or manufacture of the following country, viz.: *England,* and that a substantial portion of the labour of such country has entered into production of every manufactured article included in the said invoice to the extent in each article of not less than one-fourth of the value of every such article in its present condition ready for export to Canada.

Signed *William Neville.*

Dated at Bradford, England, this *24th* day of *September,* 189*8.*

(N.B.—The countries which are at present entitled in Canada to the benefits of the British Preferential Tariff are the United Kingdom, Bermuda, the British West Indies, British Guiana, British India, Ceylon, Straits Settlements, and New South Wales.)

CHAPTER VIII

THE EXPORTATION OF GOODS--*Continued*

EXPORTATION OF BONDED GOODS

Bonded Goods are goods stored in an approved warehouse, the occupier or owner of which has given a "bond" to the Customs authorities, undertaking that the goods shall not be removed from the warehouse for the purpose of home consumption until the Customs or Excise duties have been paid. It is, however, expressly provided that such goods may be exported without payment of duty under certain restrictions imposed by law.

Bonded goods exported consist chiefly of wines and spirits, tea, coffee, and tobacco. These have usually been purchased from the importer, through a broker or otherwise, the transfer being effected by Dock Warrants or Delivery Orders.

Before such goods are permitted to be exported, the exporter or his agent must deliver to the Customs authorities a "**Bond**" giving particulars of the goods and security for their proper shipment. This Bond must be signed by the exporter (or some person on his behalf) and also by a surety, who must be a person of some standing, who thus bind themselves, under a penalty of twice the amount of the duty, that the goods shall be duly exported or otherwise accounted for to the satisfaction of the Customs authorities. This Bond must be executed in the presence of the proper Customs officer, and must bear an Inland Revenue stamp according to the amount of the penalty of the Bond. (Sometimes a "General Bond" is given covering any number of shipments, and provided that the aggregate amount of duties involved does not exceed the penalty named in the Bond, a Bond for each shipment is then not necessary.)

This Bond, together with a **Bond Note** (a copy of which is given on the next page), is handed to the Customs Bond Clerk, who after examination signs and returns the latter. This is printed on yellow paper.

The exporter next has to fill in two forms which are printed on the back of the Bond Note (see next page). The first gives particulars of the goods to be exported, the second is an order to the warehouse-keeper to deliver the goods. The latter is separated from the former by a perforation, so that it may be readily detached.

These documents are then handed to an officer in the "Warehousing Department" of the Custom House, who after examination signs the Warehousing Order and returns the documents to the exporter.

DRY GOODS FOR EXPORTATION.

I. WARRANT.

Collector's No.
Date.

Station *Liverpool*

Notice is hereby given by *Messrs. Brown, Beane & Co.*

of *375, Tithebarn Street* to export in the

ship *"Alexandra"* bound to *Havre*

at *Prince's Dock* and to be removed by Licensed *Carman*

The description of goods and the quantity in words. *Seventy-five Hundredweight Raw Coffee*

liable to the duty of *£52 10s.*

Signature of the Exporter or his Agent *William Johnson.*

This is to certify, that Bond has been given for the due Exportation as above.

Name of the proposed Surety *James Hodgson*

Occupation *Licensed Carman*

Address *539, Old Hall Street*

Collector or Clerk of the Bonds.

Amount of Stamp Duty

Warehouse

Dry Goods for Exportation. | Number

Month and Year 189

Registr and Folio.	Ship and date of Importation or Customs, Rotation and Year, and Bonder's Name.	Number and description of Packages and Goods.	Import Marks and Numbers.	Export Marks and Numbers.	Sample	Landing Weight.	Re-weight.
	"St. George" *29th Sept., 1898* *Berry & Rawnsley*	*Sixty Bags Raw Coffee*	*B R L* *1/60*	*B R L* *1/60*			
Value for Export £ *135*							Officer Date

II. WAREHOUSEKEEPER'S ORDER. | Warehouse Number

To the Warehousekeeper at *Prince's Dock*

Deliver for Exportation as under— | Month & Year *Oct.* 189*8*

Brown, Beane & Co. Exporter.

Ship and date of Importation, Customs Rotation and Year, and Bonder's Name.	Number of Packages in words, with description of goods.	Landing Marks and Numbers
"St. George" *29th Sept., 1898* *Berry & Rawnsley*	*Sixty Bags Raw Coffee*	*B R L* *1/60*

Officer of Customs.

Date

Shipping Bill.—Until about a year ago a "Dandy Note" and "Pricking Note" had also to be filled up, but these documents have been abolished, the only further documents now required being a "Shipping Bill" and a "Shipping Note." The latter is merely a notice to the Customs officer on board the exporting ship, or at the place where she is lying, advising him that the goods are being sent for shipment. The following is a specimen of the Shipping Bill :—

Port of *Liverpool.*

SHIPPING BILL FOR DRY GOODS AS MERCHANDISE.

Under Inland Revenue Bond.	Under Customs Bond.
Collection	Warehouse
District	
Station	Number
Date	Month and Year 189

Export Ship *Alexandra.* Master *Smith,* for *Havre.*
Entered Outwards *10th October, 1898.* Bond given £55.
Station: *Prince's Dock.* Lighterman:
Conveyance: *Cart.* Carman: *Hodgson.*

Brown, Beane & Co., Exporters or Agents.

Shipping Marks and Numbers.	Number of Packages.	Description of Packages.	DESCRIPTION AND TOTAL QUANTITY OF GOODS.	Value.
B R *L* 1/60	*Sixty*	*Bags*	*Raw Coffee.*	£135
			_____ Officer.	
			_____ Date.	

We declare that the quantity, description, and value of the goods entered in this Shipping Bill are correctly stated.

Brown, Beane & Co., Exporters or Agents.

Received the above-mentioned packages on board this

Ship, _____ 189

_____ Master or Mate.

_____ { Countersignature of Officer of Customs.

Particulars of Examination and Certificate of Shipment to be inserted here. } _____ { Export Examining Officer.

All the documents just named (viz., the Dock Warrant or Delivery Order, the Bond Note and Warehousekeeper's Order, and the Shipping Bill) are then handed to a licensed carman or lighterman (who alone is allowed to remove the goods), who delivers them up to the proper officials in exchange for the goods, which he then delivers on board the ship and receives in exchange the Mate's Receipt, which he delivers up to the exporter of the goods. Bills of Lading, Invoices, &c., are then made out as previously described for "Free Goods."

CHAPTER IX

INVOICING

This is an important matter in connection with the exportation of goods. Correct invoicing is very necessary, not only to prevent difficulties between the merchant here and his correspondent abroad, but also to prevent friction between the correspondent and the foreign Customs officials. In many cases the invoices have to be submitted to the Customs when the goods are imported, and in case of any discrepancy between the invoice and the goods, there is certain to be a fine inflicted on the importer, which he, of course, claims from the merchant on this side.

The specimens of invoices on the following pages are chiefly for textile manufactures, but the mode of invoicing is the same whatever kind of goods are shipped, and, subject to the technicalities of the different trades, the principles here laid down are applicable to nearly all goods shipped from the United Kingdom.

It should be pointed out that piece goods are not always bought from the manufacturer in the finished state. In many cases they are bought "in the grey," and are sent by the merchant to be bleached, dyed, printed, or otherwise treated, in order to suit the market for which they are intended. The cost of these processes is always included in the price charged to the foreign buyer, and for sake of convenience the goods referred to in this chapter are treated as though they were purchased in their finished state.

The different kinds of invoices used in the foreign trade are principally for goods sold on the following terms:—

(1) "*Loco*," meaning the first cost of the goods, as delivered at the place of production or place of export. Any packing, forwarding, shipping, or other charges paid by the exporters on account of the buyer are detailed and added to the invoice.

(2) *F.o.b.*—Free on board, meaning that all charges up to and including putting the goods on board the vessel are included in the price.

(3) *C. & f.*—Cost and freight. In this case the price covers packing, forwarding, and shipping charges, and freight to port of destination of the goods.

(4) *C. f. & i.*, or *c.i.f.* (pronounced "siff")—meaning that the price includes all the charges mentioned in No. 3 (c. & f.), with the addition of insurance. Goods sold on c.i.f. terms are usually invoiced in the currency of the foreign country to which they are shipped.

(5) "*Franco*" or "*franco domicile*" or "*rendu franco*"—meaning all charges incurred (including foreign import duty, &c.) up to and including delivery of the goods at the door of the purchaser's place of business. Goods sold on these terms are nearly always invoiced in foreign weights and measures and foreign money.

Two other kinds of invoices not mentioned above are the "*Proforma Invoice*" and the "*Consignment Invoice.*" These are dealt with further on.

The five terms above mentioned may be summarised thus:

(1) *Loco*—actual local cost.
(2) *F.o.b.*—cost, plus packing, forwarding, and shipping charges.
(3) *C. & f.*—F.o.b., plus freight.
(4) *C.i.f.*—C. & f., plus insurance.
(5) *Franco*—C.i.f., plus foreign import duty and forwarding charges.

The following specimens show how each kind of invoice is made out. To explain the matter more clearly we have in some cases taken the same lot of goods for different kinds of invoices, so that the difference between one invoice and another may be readily understood.

The headings for the different kinds of invoices are not always the same—each firm has its own form—but those given here are used by some of the leading export houses, and may therefore be taken to be correct.

It should be borne in mind that when a person is acting as *Agent* he is bound to account to his principal for all discounts or other allowances that he may receive; his remuneration should consist solely and entirely of the commission which he receives on the transaction. A *Merchant*, on the other hand, if acting as such, and not merely as an agent, is entitled to retain any discounts or allowances received respecting the goods; but when he pays shipping or other charges for account of his customer, and specifies such charges on the invoice, he is in that respect acting as an agent, and should allow any rebates or allowances which he may receive off such charges.

The initials "E.E." (errors excepted) or "E. & O.E." (errors and omissions excepted) are frequently inserted at the foot of the invoice.

1. "LOCO" INVOICES.

On the following pages are specimens of several forms of invoices of this kind.

No. 1 is supposed to be an invoice for the goods ordered direct from the manufacturers in the Australian Indent No. 4, given on page 41. The only charges incurred here are for packing the goods, and these are added to the invoice. In most respects this invoice is practically a copy of the invoice which would be rendered by the manufacturers to an English customer. The shipping charges, freight, insurance, &c., are charged "forward." The manufacturers' profit is included in the price. This is a form much used by manufacturers who export their own goods, but, strictly speaking, it is not correct as an export invoice.

No. 2 is a "loco" invoice for goods forwarded to Canada. Here again the only addition to the actual cost of the goods is the charge for packing. The commission is included in the price.

Invoice No. 3 is for Indent No. 1,275, on page 40. It has been already pointed out that in commission business of this kind invoices are rendered in triplicate or quadruplicate by the suppliers of the goods. When these invoices are lengthy documents (as is often the case), one of the copies of the original invoice is attached to the export invoice, as shown on Invoice No. 3, in order to avoid the trouble of re-writing all the particulars, and also to show the customer abroad that the goods are invoiced at the actual cost price. The exporter in this case is simply acting as a commission agent, and the only profit he is entitled to make on the transaction is the agreed-upon commission—in this case $2\frac{1}{2}$ per cent. The charges specified in the invoice are those actually paid.

No. 4 Invoice is supposed to be in execution of the Indian Indent No. 2, on page 40. Here, as is usual in the Indian trade, all the charges are paid by the exporter, and are specified on the invoice. In this instance a commission is charged and shown on the

invoice. This is not always the case; very frequently it is included in the price. A merchant would probably include it in the price; an agent would probably show it separately. The "freight" in this example includes carriage from Manchester.

Invoice No. 1.—"Loco."

Order No. 2,176.

LINGCAR MILLS,
LEEDS, *17th May, 1898.*

Messrs. Hopwood, Green & Co.,
Sydney,

Bought of BAYWOOD & CARLING,
Woollen Manufacturers.

Terms { *60 d/s dft. on delivery.*
Less 2½% discount.

Piece No.		Pattern No.	Width	Yds.	Total Yds.	Price	£	s.	d.	£	s.	d.
8746	*Coating*	3925	54"	67								
7	,,	3927	,,	66½								
8	,,	3930	,,	68								
9	,,	3931	,,	67¼								
8750	,,	3932	,,	69¾								
1	,,	3935	,,	65½								
					401	2/1	.....	...	...	41	15	5
		Zinc-lined		*case*	.....	.....	.....	...	...	1	18	3
Case										£43	13	8
H G S	278											

Measurements, 4.2 × 3.8 × 2.8.

Forwarded to Messrs. JOHN PENLEY & SON, London, for shipment per steamer "*Utopia*," to Sydney.

Invoice No. 2.—"Loco."

MANCHESTER, *28th August, 1898.*

Messrs. Ratcliffe, Thomson & Co., Montreal, **Dr.**

To ARTHUR COLLIER & CO.

For *1 Case Goods* forwarded for their account and risk through *Messrs. W. Peterson & Co., Liverpool,* to *Montreal.*

Insurance not effected here. Terms 3½% discount.

R T C M 723	15	*pcs.*	48 *in. Imit. Silk* 79, 82¼, 81½, 6/83, 3/82½, 3/82¾ = 1,236¼ *yds.* ...	@	8¼d.	43	15	10			
			Packing... ...			-	9	-			
									44	4	10
			Less 3½%						1	11	-
								£	42	13	10

Invoice No. 3.—"Loco."

Invoice of *25 Cases Provisions,* shipped at London per steamer "*Malay*" for *Singapore,* by order of *Messrs. Brown, Green & Co.,* on account and risk of *Messrs. R. Pilley & Co., Singapore.*

Insurance effected here. Indent No. 1,275.

324 / P	25 *Cases Provisions as per Messrs. Crosse & Blackwell's Invoice attached*					58	18	-
	Charges.							
Singapore	*Freight as per B/L*			2	11	7		
1/25	*Bs/L*				2	-		
	Postages, &c.				1	3		
	Mar. Insce. £75 @ 7/6% *and stp.* ...				5	11		
						3	-	9
						61	18	9
	Comn. 2½%					1	10	11
	E. & O.E.				£	63	9	8
	LONDON, *10th October,* 1898. MELVILLE, BOOTH & Co.							

Invoice No. 4.—"Loco."

Invoice of *5 Bales Grey Dhooties* shipped by the undersigned per "*Barrister*," Liverpool, for *Calcutta*, by order and for account and risk of *Messrs. Timothy Jones & Co.*, Calcutta.

B/L dated January 28th, 1898.

Order No. 2,000.
Indent No. 1,500. Insurance effected here.

T J	*Grey Dhooties* ½ *in. Col. border*						
1000	1 *Bl.* { 200 *prs.* 42 *in.* *2/10 *yds.* 17 × 15, 60/70 500 T. No. / 200 *prs.* 44 *in.* ,, ,,						
	4 *Bls.* 1600 ,, *same*						
1001/4	*5 *Bls.* 2000 ,, @ 1/3 1/16 *average*	132	16	3			
	2½%	3	6	5	129	9	10
	Packing 5 *Bales* ... ...@ 20/–	5	-	-			
	Freight on 58 *ft.* 9 *in.* @ 32/6 =	2	7	8			
	10%		4	9			
		2	12	5			
	Shipping charges	-	2	10			
	½% *Telegrams*	-	14	-			
	Postages and Bill Stamps	-	6	-			
	Fire Insurance on £129	-	1	4			
	Marine Insurance on £150 @ 5/9% *less* 5 *& 10 % & Policy Duty* 6*d.*	-	7	11			
					9	4	6
				£	138	14	4
	Commission 2½%	...	...	...	3	9	5
				£	142	3	9

Stamped Two-headed Swan.
Weight 21 cwt.

E. & O.E.

MANCHESTER, *January* 31*st*, 1896,
HARVEY, MITCHELL & Co.

* 2 dhooties in a 10 yd. length 60/70=60s Twist, and 70s Weft.

2. F.O.B. INVOICES.

F.o.b. means "free on board," and, as already explained, includes all charges up to and including putting the goods on board the vessel. The charges are never specified in an f.o.b. invoice, they are always included in the price, which is given as "f.o.b., London," "f.o.b., Liverpool," "f.o.b., Glasgow," &c.

Invoice No. 5 is supposed to be an invoice rendered to a London house in reference to the order quoted on page 39. The packing and forwarding charges and the commission are included in the price.

Invoice No. 6 shows how "Loco" Invoice No. 4 (on the preceding page) would appear if made out on f.o.b. terms. The following calculation shows how the price is arrived at :—

Cost of goods net	£129	9	10
Packing charges	5	-	-
Fire insurance	-	1	4
Carriage to Liverpool, 21 cwt. at 8/-...	-	8	5
Cartage in Liverpool @ 8d. per ton...	-	-	9
Dock dues at 3d. per bale	-	1	3
Agent's commission at 3d. per bale ...	-	1	3
	135	2	10
Commission, 2½% ...	3	7	6
	£138	10	4

£138 10s. 4d. or 33,244d. ÷ 2,000 = 1s. 4⅝d. nearly.

Invoice No. 5.—F.O.B.

Invoice of *4 Cases Worsted Tweeds* forwarded to *Liverpool* by the undersigned for shipment per steamer "*Devonshire*" for *Bombay*, by order and for account of *Messrs. Wm. Thurston & Co., London.*

Insurance not effected by us. Order 9,275.

MBC / Bombay.	54" *Worsted Tweeds.*	Yds.						
137	1 *Case* = 8 *pcs.*, 2/30½, 2/31½, 1/31, 1/30¾, 2/32 =	249¾						
138	1 *Case* = 8 *pcs.*, 2/31, 2/31½, 13/0⅜, 2/32, 1/31½ =	250⅜						
139	1 *Case* = 8 *pcs.*, 1/31½, 2/30 13/32, 3/32, 1/31⅜, 1/31 ... =	251¼						
140	1 *Case* = 8 *pcs.*, 1/32, 2/31½, 1/30½, 2/31¾, 2/31¼ =	253½						
	E. & O.E.,	1005¼	@ 2/8¼	*L'pool.*			£135	1 7
	BRADFORD, 21*st November*, 1898. HALLINGS & Co.							

Invoice No. 6.—F.O.B.

Invoice of *5 Bales Grey Dhooties* forwarded by the undersigned per rail to *Liverpool* for shipment per steamer "*Barrister*" for *Calcutta*, on account of *Messrs. Tom Brown & Co., London.*

Order 2,000.
Indent 1,500.

MANCHESTER, *January* 31*st*, 1898.
Insurance not effected by us.

BAC / Calcutta					
	Grey Dhooties. ½" *Col. Border.*				
1000	1 *Bl.* { 20 *prs.* 42 *in.* 2/10 *yds.*, 17 × 15, 60/700				
	{ 200 *prs.* 44 *in.* ,, ,, ,,				
	4 *Bls.* 1600 *prs.* same.				
1001/4	5 *Bls.* 2000 *prs.* @ 1/4⅝ *f.o.b. L'pool* ...			£138	10 10

Stamp—
Two-headed Swan.

Weight—
Cwt. 21

E. & O.E.

MANCHESTER, *January* 31*st*, 1898.

HARVEY, MITCHELL & Co.

3. C. & F. INVOICE.

This is simply an f.o.b. invoice with the addition of the freight on the goods from the port of shipment to the port of destination (included in the price, of course). Invoices on these terms are very common in the import trade, but they are rarely met with in the export trade.

If the goods mentioned in the f.o.b. invoice on the preceding page were sold on c. & f. terms, the invoice would be made out as follows :—

Invoice No. 7.—C. & F.

Invoice of *5 Bales Grey Dhooties* shipped by Percival, Keene & Co. per steamer "*Barrister*," *Liverpool, for Calcutta*, by order and for account and risk of *Messrs. Thomas Smedley & Co., Calcutta.*

Insurance not effected by us. Indent 1,279.

	Grey Dhooties.					
T S C	½ *Coloured Border.*					
		T. No.				
C	1 *Bl.* { 200 *prs.* 42 *in.* 2/10 *yds.* 17 × 15	60/70	500			
1000	{ 200 ,, 44 *in.* ,, ,, ,,					
1001/4	4 *Bls.* 1600 ,, same					
	5 *Bls.* 2000 ,, @ 1/4$\frac{3}{32}$ *c. & f. Calcutta* ...				£141	8 1
	Stamp: Two-headed Swan.					
	Weight: Cwt. 21					
	The price is arrived at as follows :—					
	Cost of Goods			129	9	10
	Packing charges			5	-	-
	Carriage to L'pool.				8	5
	Shipping, &c., charges				3	3
	Fire Insurance				1	4
	Freight on 58·9 @ 32/6 *& 10 %* ...			2	12	5
				137	15	3
	Commission ...			3	8	11
				£141	4	2
£141 4*s.* 2*d.* or 33,890*d.* ÷ 2000 = 1/4$\frac{3}{32}$ nearly.						

4. C.F. & I. INVOICES.

Export invoices on c.f. & i. (or, as more frequently written, c.i.f.) terms are used chiefly in the Indian trade. In this case all the charges—packing, forwarding, shipping, freight, insurance, &c.—are included in the price, and the price is given in the currency of the country to which the goods are going.

On the next page is an example of this kind of invoice for the goods detailed in "Loco" Invoice No. 4 (page 85). Here our customer in Calcutta has offered us in rupees what he is able to pay, and we have accepted his offer, and have fixed exchange at, say, 1/4.

The method of calculation is as follows :—

Cost of goods, net...	£129	9	10
Packing @ 20/- per bale	5	0	0
Freight on 58′ 9″ @ 32/6 and 10% (including railway carriage) ...	2	12	5
B/L 2/- commission 10d.	0	2	10
Telegrams ½%	0	14	0
Postage and bill stamp	0	6	0
Fire insurance on £129	0	1	4
Marine insurance on £150 @ 5/9% less 5 and 10% and stamp	0	7	11
	138	14	4
Commission 2½% ...	3	9	5
	£142	3	9

£142 3s. 9d. or 34,125d. ÷ 1/4 exchange = Rs. 2,132 13 0 ÷ 2,000 = Rs. 1. 1. 1. (To put this indent through we sacrifice Rs. 7.13 (10/5) out of our commission.)

1 rupee = 16 annas; 1 anna = 12 pies.

Invoice No. 8.—C.F. & I.

Invoice of *5 Bales Grey Dhooties* shipped at Liverpool per steamer "*Barrister*" for Calcutta, by order of *Messrs. Bunder, Abbas & Co.*, on account and risk of those concerned, by *Henry Stephenson & Co.*

MANCHESTER, *January 31st*, 1898.

Indent 1,500. Insurance effected here.

B A	*Grey Dhooties,* ½ *in. Coloured Border.*			
1000	1 *Bl.* 200 *pairs* 42 *in.* 2/10 *yds.* 17 × 15 60/70 500 *T No*			
	200 *pairs* 44 ,, ,,			
1001/4	4 *Bls.* 1600 *same*			
	5 *Bls.* 2000 *pairs* @ *Rs.* 1. 1. 0. *c.f. & i.* *Rs.*	2125	-	-
	Stamp: Two-headed Swan.			
	Weight: 21 cwt.			

CHAPTER X

THE EXPORTATION OF GOODS—*Continued*

5. "FRANCO" INVOICES.

"*Franco*" (or "franco domicile," or "rendu franco"), as already explained, means c.f. & i., plus foreign import duty (if any), and carriage and other charges up to and including delivery of the goods at the door of the purchaser.

Twenty or thirty years ago all goods sold in the United Kingdom for export were on "loco" terms, but to-day it is quite common (for the continent especially) for goods to be sold "franco Paris," "franco Milan," &c., and as foreign competition increases this mode of selling will doubtless become more and more common.

"Franco" invoices for the continent are usually expressed in metres and kilogrammes, and also in the currency of the country to which the goods are going, instead of in English weights, measures, and money. They should also, when practicable, be made out in the French, Italian, Spanish, &c., language as may be required.

We will suppose we are a Bradford firm, and that a customer (say in Paris) asks us to quote "franco Paris" for certain goods, of which we have previously sent him patterns. To enable us to do this we must first reduce our price per yard into fcs. per metre, and then ascertain what the import duty and charges come to.

For the **duty** we refer to the French Customs Tariff, where we find that the duty on the goods in question is, say, fcs. 220 per 100 kilogrammes. (The Customs tariffs for nearly all foreign countries may be inspected at the principal Chambers of Commerce in the United Kingdom.)

As regards the **forwarding charges** from Bradford to Paris, we know from previous experience that they come to, say, fcs. 11 per 100 kilogrammes, and to this we have to add our charges for packing the goods, and the cost of insurance.

If we are in doubt as to either the duty or the forwarding charges, or both, we write to a forwarding agent at one of the

French ports, giving particulars, and asking him to quote a through rate from Bradford to Paris, and say what the import duty would be. We shall receive a reply by return of post.

Being in possession of the requisite information, we can now make our calculation as to he price at which we can afford to sell the goods laid down in Paris, but in order to enable us to make the calculation we must know the following equivalents:—

1 metre = 1·0936 yard.	1 yard = 0·9144 metre.
1 centimetre = 0·3937 inch.	1 inch = 2·54 centimetres.
1 kilogramme = 2·2046 lbs.	1 lb. = 0·4536 kilogramme.

The simplest way of making the calculation is to take the lot of goods required, and, after adding charges, &c., convert the pounds, shillings, and pence into francs and centimes, and the yards into metres. We will suppose that the goods about which we are negotiating with our Paris friend are those represented by the following invoice, which we have received from the manufacturer:—

	£ s. d.	
5 pcs. 56 in. Fancy Worsteds—		
24¼, 24⅜, 24⅝, 26, 26⅛ = 125¾ yds. @ 4/- ...	25 3 0	
less 2½% ...	0 12 7	
	£24 10 5	
To this amount we must add:—		
Packing charges, 5 pcs. @ 9d.	0 3 9	
Insurance on, say, £35 @ 3/6% and stamp	0 1 5	
	£24 15 7	
£24 15s. 7d. at 25·30 exchange		fcs. 626·91
Forwarding charges on the gross weight 134 lbs. = 61 kilos. (charged as 70 kilos) at, say, fcs. 11% ...		7·70
Duty on the net weight 120 lbs. or 54½ kilos. @ fcs. 220 per 100 kilos.		119·90
		754·51
Commission 2½% ...		18·86
Total cost laid down in Paris ...		fcs. 773·37
As the usual arrangement with our Paris customer is that we allow him 3% discount, we must, of course, add this to the cost, this is		23·90
Making the total		fcs. 797·27

Fcs. 797·27 is the cost of the 125¾ yards. A yard is equal to 0·9144 metre, therefore 125¾ yards multiplied by 0·9144 are equal to 114·9858 metres, say 115. Dividing fcs. 797·27 by 115, we find that the price per metre, franco Paris, is fcs. 6·93. As French prices usually proceed by twentieths of a franc we might quote in this case fcs. 6·95, but we should probably say fcs. 7.

All export firms who do a continental business have these calculations worked out in a series of elaborate tables at different rates of exchange, thus showing at a glance the equivalent of the English price per yard or per lb. in francs, marks, liras, &c., per metre or per kilogramme. Other tables on the same basis show the additions which must be made for Customs duty and forwarding charges.

Our quotation being accepted, we pack the goods in a truss (a small bale), and despatch the package to a shipping agent at a French port, say in this case Messrs. Hernu, Péron & Cie., of Boulogne-sur-Mer. We also advise Messrs. Hernu, Péron & Cie to forward the goods to our Paris customer, and to debit our account with the forwarding charges, Customs duty, and other expenses.

A few days later we shall receive from them a Debit Note somewhat similar to the following:—

BOULOGNE-SUR-MER,
HERNU, PERON & Co. LTD., *le 27 Septembre*, 1898.

Messieurs HALLINGS & Co.,
Bradford.

Doit pour frais à une balle suivant détail ci-bas d'envoie d'eux-mêmes le 23 court et reéxpedié Franco en Petite Vitesse a Messieurs A. C. Poiré & Cie, 39, Rue du Pont, Paris, par l'entremise à domicile.

A leur debit fcs. 128·10.

Transport de Bradford à Paris 62 ks. payent pour 70 ks. @ fcs. 6·50 par 100 ks.	4·55
Droits de Douane, manutention commission et timbres * ...	121·55
Ports de lettres	...
Assurances contre l'incendie sur le quai, sur fcs.	...
,, maritimes sur fcs.	...
Timbre special et impression (Loi du 30 mars 1872)	·75
Timbres des connaissements, &c. (taxe fixe)	1·25
Total fcs.	128·10

*1 Balle ...	Brut 62 kilos.		
Tissus ...	Net 54/700 kilos. @ 220%		120·35
A. C. P. ...	Impôt et statistique	...	·35
1579 ...	Permis et quittance	...	·85
			121·55

It will be noted that the weights stated in this Debit Note are slightly in excess of our own. There are generally little discrepancies of this kind, which cannot be avoided. The few centimes per metre which are often added to the price, as already explained, cover such differences.

Invoice.—In the meantime (i.e., when the goods are despatched) we have to make out our invoice. This necessitates some further calculations.

We have, in the first place, to convert the width into centimetres. Multiplying 56 inches by 2·54, we find the width is 142·24 centimetres, which we will call 142/3.

We have next to convert the length of each piece into metres. Multiplying the yards by 0·9144, the calculations are as follows:—

24¼	24¾	24⅝	26	26⅛
·9144	·9144	.9144	·9144	·9144
24	24	24	26	26
3·6576	3·6576	3·6576	5·4864	5·4864
18·288	18·288	18·288	18·288	18·288
= 2286	½ = 4572	½ = 4572		⅛ = 1143
	¼ = 2286	⅛ = 1143		
22·1742	22·6314	22·5171	23·7744	23·8887

In giving the lengths on the invoice we take the nearest 5 or 10 centimetres, thus the above lengths might be stated as 22·20, 22·60, 22·50, 23·80, and 23·90 respectively.

We are now in a position to make out our invoice. This will be as follows:—

Invoice No. 9.—"Franco."

Invoice of goods bought by *Hallings & Co., Bradford,* by order and for account of *Messrs. A. C. Poiré & Cie., Paris,* and forwarded through *Messrs. Hernu, Peron & Cie, Boulogne.*

Mark.	Piece No.	Pattern No.	Width.		Metres.	Price.	Fcs.	c.
	7623	*B*159	142/3	*Fancy Worsted*	22 *20*			
A C P	4	,,160	,,	,,	22 *60*			
	5	,, 1	,,	,,	22 *50*			
1579	6	,, 2	,,	,,	23 *80*			
1 *Bale*	7	,, 3	,,	,,	23 *90*			
					115 *00*	@ *Fcs.* 7	805	-
				Escompte 3 %			24	-
						Fcs.	781	-

In actual practice tables are made use of to ascertain the metric equivalents of English weights and measures, the necessity of making a calculation each time being thus obviated. Some tables which will be found useful for the purpose are given at the end of this volume. An explanation of the metric system generally will be found in Chapter XXIX.

CHAPTER XI

THE EXPORTATION OF GOODS—*Continued*

CONSULAR INVOICES.

When goods are shipped to the United States a "Consular Invoice" has to be made out. This is an invoice in a prescribed form, which has to be declared before the United States Consul of the district whence the goods are exported. Usually three of these forms are required, but where the goods are intended to be sent "in bond" from the port of entry to some other port (for example, from New York to Boston), then four Consular Invoices are required. If the invoice amount does not exceed £20 the exporter need not declare the goods here unless he wishes to do so. The original invoice is retained at the Consulate, the duplicate (and quadruplicate, when one is made out) is returned to the shipper, and the triplicate is sent on to the Custom House at the port of entry. The shipper sends on copies to be dealt with by the consignee on arrival of the goods. When the shipment consists of piece goods, a card with samples attached has also to be left with the Consul, for identification of the goods on arrival at the United States port. The packages containing the goods have to be marked "Made in Great Britain," "Woollen (or other) goods," marks, numbers, &c. The invoice must show the contents of each package, and, in the case of piece goods, the width, design, number, weight in lbs., and yardage of each piece, the price, total amount, discount or other trade allowances, and all charges incurred up to putting the goods on board. On the following pages are specimens of a Consular Invoice and declaration for goods shipped by a merchant in this country against a sale made in New York. The declaration has to be made on the back of the invoice.

For *Chili* and some other *South American countries*, and *Portugal*, Consular Invoices are also required and have to be made out on forms supplied by the respective Consuls in the United Kingdom.

BRADFORD, *27th September* 1898.

INVOICE of certain Goods, viz :— *Woollen Cloths* sold from *Bradford*
by M*essrs. Wildsmith, Barton & Co.* to M*essrs. Morrison, Hutton & Mair,*
of *New York* and despatched from *Bradford*
viâ *Liverpool* per s.s. *"Tauric"*

				lbs.	yds.								
2849	1	*pce.*	275 *Coating, 56in.,*	4035, 69	50								
50	1	,,	,, ,, ,,	2986, 65	48	98	7/6	36	15	-			
51	1	,,	,, ,, ,,	2928, 67	49½								
52	1	,,	289 ,, ,,	5606, 70	50½	100	6/3	31	5	-			
53	1	,,	,, *Trousering 28in*	5965, 68	46½								
54	1	,,	295 ,, ,,	5863, ,,	47	93½	5/8	28	16	4	96	16	4
			Less 2½% Disct. ...		...	...	...	...	...	..	2	8	5
			Net Value at Bradford ...		...	...	...	...	...	...	94	7	11
			Charges (not included in price of goods) :—										
			Carriage & Charges to Liverpool		...	...	...	-	10	6			
			Tarpaulin & Canvas ...		...	...	...	-	9	6			
			Consul's Fee		...	...	...	-	10	6			
											1	10	6
										£	95	18	5

The name of Deponent's firm should be signed below the total of this Invoice.

Wildsmith, Barton & Co.

All Blanks in these Columns to be filled in by Shipper. The form of Invoice on the other side to be used

[FORM NO. 140.]

CONSULAR CERTIFICATE.

I, the undersigned *Erastus S. Day*, Consul of the United States, do hereby certify that, on this[2] *27th* day of *September* A.D. *1898*, the invoice described in the indorsement hereof was produced to me by the signer of the annexed declaration.

I do further certify that I am satisfied that the person making the declaration hereto annexed is the person he represents himself to be, and that the actual market value or wholesale price of the merchandise described in the said invoice in the principal markets of the country at the time of exportation is correct and true, excepting as noted by me upon said invoice, or respecting which I shall make special communication to the proper authorities.

4 pieces Coatings
2 pieces Trouserings

Witness my hand and seal of office the day and year aforesaid.

Received the equivalent of $2·50 in gold.

Erastus S. Day
Consul of the United States, Bradford.

I

Directions.

1. "Purchaser" *or* "Seller" *or* "duly authorised agent" of either
2. Date.
3. Port.
4. Signature of Deponent.

[FORM NO. 138.]

Declaration of Purchaser or Seller or duly authorised Agent or either.

I, the undersigned, do solemnly and truly declare that I am the *authorised agent of the seller* of the merchandise in the within invoice mentioned and described; that the said invoice is in all respects correct and true, and was made at BRADFORD, whence said merchandise is to be exported to the United States; that said invoice contains a true and full statement of the time when, the place where, and the person from whom the same was purchased, and the actual cost thereof, price actually paid or to be paid therefor, and all charges thereon; that no discounts, bounties, or drawbacks are contained in said invoice but such as have been actually allowed thereon; that no different invoice of the merchandise mentioned in said invoice has been or will be furnished to any one, and that the currency in which said invoice is made out is that which was actually paid or is to be paid for said merchandise.

4 pieces Coatings
2 pieces Trouserings

I further declare that it is intended to make entry of said merchandise at the port of[3] *New York* in the United States of America.

Dated at BRADFORD, this *27th* day of *September 1898*

[4] *Charles Johnson,*
Authorised Agent for
Wildsmith, Barton & Co.

CHAPTER XII

THE EXPORTATION OF GOODS—*Continued*

SECURING EXCHANGE AND DRAWING AGAINST SHIPMENTS.

Loco Terms.—The means of reimbursement for goods sold on these terms vary according to circumstances. When the goods are shipped to a branch firm abroad, in many cases no draft is drawn, the amount being simply debited in account. In other cases documentary drafts are drawn, as described under the heading of "c.f. & i. terms," whilst very often "clean" bills are drawn either on the buyer direct or on a London banker with whom he has opened a "credit." The method adopted depends upon the financial standing of the persons with whom we are dealing, the custom of the trade, and the arrangements made when the order was accepted.

F.o.b. Terms.—Goods sold on f.o.b. terms are usually shipped on account of a buyer in London or elsewhere in this country, and are paid for by cheque when the shipping documents are delivered, or a few days afterwards, according to agreement. When selling goods on these terms to a home buyer of whose financial standing you are not fully satisfied, it is advisable to stipulate for "cash against documents," as you then run less risk of losing money in case the buyer suspends payment soon after receiving the documents, as sometimes happens.

Franco Terms.—The terms for goods sold "franco" to the continent vary according to circumstances. When the buyer is drawn upon (in the foreign currency) it is usually at 30, 60, or 90 days' sight, as may be arranged. The draft is generally discounted, either with an English bank or with a bank in the country on which it is drawn. In the latter case the amount realised is usually remitted by a cheque on London. The seller has to take the risk of fluctuations in exchange, which is one of the drawbacks to selling goods on these terms to countries whose exchange is not fairly stable.

C. f. & i. Terms.—Goods on these terms are sold almost exclusively to India and the East, the buyer being generally a native. As the seller has accepted a rupee price, he has of course to receive payment in rupees. Exchange with Eastern countries has fluctuated so violently during the last few years that no prudent merchant will now run the risk of exchange for goods sold for delivery some time ahead, if he can possibly avoid it. He therefore "fixes exchange" beforehand whenever possible. This is done by going or writing to a London bank which has an Eastern branch (such, for instance, as the National Bank of India; the Mercantile Bank of India; the Hong-Kong and Shanghai Banking Corporation; the Chartered Bank of India, Australia, and China; or the Agra Bank), and asking them to fix exchange for the amount which you expect to draw, and the approximate date.

Drafts in Foreign Currency.—Drafts against goods sold on "c.f. & i. terms" are usually drawn at 60 or 90 days' sight, documents attached, "documents to be surrendered on payment." The draft will be in a set of three, the "First" of which will probably be worded as follows :—

No. 4586. MANCHESTER, 28*th September*, 1898.

*Exchange for Rs.*2125.

Sixty days after sight of this our FIRST of Exchange (Second and Third of the same tenor and date unpaid) pay to the order of Ourselves the sum of Two Thousand One Hundred and Twenty-five Rupees, value against BA 1000/1004=5 Bls. Goods per steamer "*Barrister*" which place to account as advised. Shipping documents attached to be surrendered on payment.

To Messrs. BUNDER, ABBAS & Co.,
CALCUTTA. HENRY STEPHENSON & Co.

(The Second and Third of the above draft would be precisely the same as the above, except that the words "First and Third" and "First and Second" respectively would be substituted for the words "Second and Third" in parenthesis.)

Three copies of the invoice would have to be made out in this case. To the "First" of the draft would be attached one copy of the Invoice, a copy of the Bill of Lading, and the Policy of Marine Insurance. To the "Second" and "Third," the remaining copies of the Invoice and Bill of Lading would be attached. A "Letter of Hypothecation" would also have to be made out (sometimes in triplicate) and attached to the other documents. This document will be dealt with presently.

When the documents are attached to the draft, as in the above case, the draft is called a "documentary bill," or, as it is generally abbreviated, "D/A," meaning "documents attached," as distinguished from a "clean" bill, or one drawn without the documents being attached.

Foreign Drafts in Sterling.—When goods shipped to India and other countries are sold at sterling prices (whether on "loco" or other terms), a documentary draft—usually at 60 or 90 days' sight—is generally drawn in sterling for the full amount of the invoice. The documents are the same as mentioned above, but the draft itself is usually worded thus :—

No. 895. MANCHESTER, 31*st January*, 1898.
£142 3*s.* 9*d.*

Sixty days after sight pay this FIRST of Exchange (Second and Third unpaid) to our order the sum of One Hundred and Forty-two Pounds Three Shillings and Ninepence sterling, payable at the National Bank of India's drawing rate for demand drafts on London, with interest at six per cent. per annum added thereto from date hereof to approximate due date of arrival of the remittance in London, value received against TJ 1000/1004=5 Bls. Goods per steamer "*Barrister.*"

To Messrs. TIMOTHY JONES & Co.,
CALCUTTA. HARVEY, MITCHELL & Co.

In some cases the rate of interest is stated to be at the bank's drawing rate for "telegraphic transfers," in others for "sight," "three months' sight," or "four months' sight" bills, whilst in other cases it is "exchange as per endorsement," but the most usual is that stated above—for "demand drafts." When "exchange as per

endorsement" is arranged, the banks usually fix the rate for the term which they consider most favourable to themselves.

Documentary Bills.—We now repeat the documents which are usually attached to a "documentary bill." They are as follows:—

To the "First"—Invoice, Bill of Lading, Policy of Insurance, and Letter of Hypothecation.

To the "Second" and "Third"—Invoice, Bill of Lading, and (when the Letter of Hypothecation is made out in triplicate, as is sometimes the case) the Letter of Hypothecation.

Each draft (First, Second, and Third) and each copy of the Bill of Lading, is endorsed in blank by the drawer, when these documents are made out to his "order," as is usually the case.

The above-named documents being all ready, and attached (i.e., pinned together) as described, they are handed to the bank, which advances the money against them as may have been previously arranged—in some cases the full amount; in others only 90, 80, or 75 per cent., or even less, as the case may be.

The bank forwards the drafts, with the documents attached, to its branch abroad, at the place on which they are drawn. The branch bank presents the bill to the drawee for acceptance. If accepted, the amount of the bill is generally paid at maturity, and, if in sterling, at the specified rate of exchange, plus interest at the agreed-upon rate from the date of the draft to the approximate time it will take for the money to be remitted to and reach London. The Bills of Lading and Policy are then handed to the drawee, and the transaction is ended so far as the bank is concerned. The goods are usually landed and warehoused by the bank, and if, as is often the case, the drawee wishes to take delivery of a portion of the goods, but not the whole, before the bill is due, he pays to the bank the value of such portion, and the bank gives him an order for the goods required. If he requires the whole of the goods before the bill is due, he may retire the bill under discount. Should the drawee "fail," or suspend payment while the bill is running, or for some reason or other refuse to pay the bill at maturity, the bank may sell the goods and recover the balance, if any, from the shipper.

Sometimes a documentary bill is drawn "documents to be surrendered against acceptance," but this is very rarely done, and then only when the drawees are firms of a very good standing.

Advice of Drafts.—When a bill is drawn (whether "clean" or "documentary") advice thereof must be at once sent to the drawee. The following is an example of such an advice:—

MANCHESTER, *29th September, 1898.*

Messrs. Bunder, Abbas & Co.,

Calcutta.

Dear Sirs,

We had this pleasure last on the 15th inst., and now beg to advise shipment of your Indent No. 1500, viz., $\frac{B\,A}{C}$ 1000/1004 = 5 Bales Grey Dhooties, per steamer "*Barrister*," sailing to-morrow.

For the invoice amount thereof, viz., Rs.2,125, we have drawn upon your goodselves by our draft No. 4,586, documents attached, at 60 d/s, and have negotiated the same through the Chartered Bank of India, Australia, and China.

Recommending our draft to your kind protection,

We are, Dear Sirs,

Yours faithfully,

HENRY STEPHENSON & Co.

Letter of Hypothecation.—To "hypothecate" means to *pledge* or *mortgage*. A Letter of Hypothecation is a printed form filled in with particulars of the drafts drawn and of the goods against which they are drawn, and authorises the bank to sell the goods if the drawee fails to "accept" when the drafts are presented or does not pay at maturity. The following is a specimen of this document:—

LONDON, *25th March* 1898.

To the Directors of

THE MOFUSSIL BANK OF INDIA, LIMITED,
BOMBAY.

Gentlemen,

We have negotiated through your London office...our...Bill drawn by ...us.....
on...*Messrs. Oscar Wilson & Co., Bombay*...for £ *140 : 5 : 5*...and, as collateral security, have delivered with the said Bill shipping documents for the following goods:—

Invoice for...*4*...packages amounting to £ *140 : 5 : 5*.....

Policy of Insurance...*All Risks*...for £...*158*...payable in...*London*.....

Bill of Lading for...*4*.....packages marked...*M C 1/4 per Steamer*.....
"*Shropshire*," *London to Bombay*.....

.....

The Freight on which amounting to £...*1 : 17 : 10*...is...*paid by us*.....

These documents are to be given up on payment of the Bill.

In case the said Bill should suffer dishonour, either by non-acceptance on presentation or non-payment, we hereby authorise you to cause the said goods to be sold according to your discretion, such sale being for our account, at our sole risk, and subject to the usual charges for commission, and all incidental expenses: it being understood that The Mofussil Bank of India, Limited, is to be free from all responsibility whatever in respect of such sale. The proceeds of the goods, if sold under this authority, you will account for here, and we hereby undertake and agree to pay you, with a re-exchange of 10 per cent. thereon, the amount of any deficiency which may arise between the said Bill and the proceeds of the goods; and should any surplus be realised, we consent to your retaining a general lien thereon against any other liabilities we may have incurred to your Bank.

In case of any loss arising, for which you may recover under the Insurance effected on these goods, you are hereby authorised to hold the amount so recovered at the disposal of *Messrs. Oscar Wilson & Co.* provided said Bill shall have received due honour. But in the event of the dishonour of the Bill, either by non-acceptance on presentation or non-payment, we hereby give you authority to retain the amount so recovered for our account, subject to any claim the bank may have thereon.

We are, Gentlemen,

Yours faithfully,

MONSON & CO.

CHAPTER XIII

THE EXPORTATION OF GOODS—*Continued*

SHIPPING GOODS "ON CONSIGNMENT."

A "consignment" means a quantity of goods shipped to a firm abroad for sale on commission for account of the shipper. Such shipments generally result in a loss, and are therefore not popular with British traders.

There is practically no difference between a Consignment Invoice and a "Loco" Invoice except in the heading. Sometimes the charges are given in the total (instead of in detail, as in the "loco" invoice), as in the following example:—

Invoice No. 10.—Consignment.

INVOICE of *1 Case White Mulls* shipped at Liverpool per S.S. *"Branksome Hall"* to *Kurrachee* and consigned to *Messrs. Brown, Jones & Brown* for sales on account and risk of TIMOTHY JONES & Co.

Order No. *527* MANCHESTER, *July 12th,* 189*8*.

Mark.	Packs.	Pcs	Description.	Tel. No.	Price.	£	s.	d.	£	s.	d.
B J B			*White Mulls, Green Ends.*								
373	1	96	37 *in.* 94/18 *yds.* 2/17½ *patt. pcs.* 14 × 12	4333	1/11¾	9	10	0			
		45	,, 40/18 ,, 5/17½ ,, ,, 14 × 13	4334	2/0½	4	11	11			
		48	,, 46/18 ,, 2/17½ ,, ,, 14 × 12	4335	2/2½	5	6	0			
	1	189	81 *pcs. without hdgs. and cut across pcs.*			19	7	11			
			Allce. for 81 *pcs. without hdgs. & cut*	*across*	@ 2d.		13	6	18	14	5
			Freight and Insurance						1	1	4
			Stamped Nos. 1476, 5960, *and* 5980 *and yards*					£	19	15	9
			Ticketed Native Two-headed Swan								
			E. & O.E.								

Strictly speaking, this is not an invoice; it is really in the nature of a **Proforma Invoice.** If you are familiar with book-keeping, you will remember that when entering an invoice of goods shipped on consignment, you do not debit the amount to the account of the person to whom the goods are consigned, but to an impersonal account called "consignment account." The invoice is sent chiefly as a guide for the sale of the goods; but it is also necessary for Customs purposes.

The word "*proforma*" means for form's sake, i.e., imaginary or fictitious. It is used chiefly in connection with invoices and account sales. A Proforma Invoice is sent to show a correspondent abroad what would be the charges on a certain class, or a particular lot, of goods, so as to enable him to ascertain the approximate total cost laid down at that place. A *Proforma Account Sale* is used for much the same purpose, viz., to enable a person to ascertain whether he could realise a profit by sending a consignment of goods which he may have on hand or may think he may find a profitable market for—e.g., a manufacturer in Lancashire or a cotton dealer in India or the United States. There is no apparent difference between a *proforma* and a *bonâ-fide* invoice or account sales, except that the former is always headed "Proforma Invoice" or "Proforma Account Sale," as the case may be.

An Account Sale (or account sales) naturally follows a shipment of goods on consignment. An account sale is the converse of an invoice. An invoice is a statement of goods bought; an account sale is a statement of goods sold. An account sale, like an export invoice, must contain the marks, numbers, and particulars of the goods, and also the prices at which they have been sold and all charges paid, such as freight, landing charges, storing, fire insurance, import duty (if any), and agent's commission. These charges are, of course, *deducted* from the gross amount realised for the goods. The balance is called the "net proceeds."

The following is an account sale for the goods comprised in Invoice No. 10:—

Account Sale No. 90.

Account Sale of *1 Case White Mulls*, received ex "*Branksome Hall*," from *Messrs. Timothy Jones & Co.*, and sold by the undersigned, on account and risk of the concerned.

Terms : 1½ per cent. disct., and 60 days' prompt, @ 6 % per annum.

Sold *3rd December, '98.* Rec'd in Godown, *16th May, '98.* Prompt *1st Feb., '99.*

B/J/B 373	Shipt. 9107.	R.	a.	p.	R.	a.	p.
	1 *Case White Mulls, cont'g.* 189 *pcs.*, @ *Rs.*3·8 *p. pce.*	283	8	-			
	Less allowce. as per Invoice ...	10	2	-			
	R's. ...	273	6	-			
	1½ % *disct., as per agreement*	4	4	3			
					269	1	9
	Charges.						
	To Bunder Fee, @ annas 2 *per case* ..	-	2	-			
	,, *Landing, Clearing, Cart and Coolie hire, and storing in Godown, &c., @* 12 *annas per case*	-	12	-			
	,, *Warehouse Rent for* 7 *mos., @ annas* 4 *per Case per mo.*	1	12	-			
	,, *Fire Insurance,* ⅛ % *per mo. for* 7 *mos.*	2	7	8			
	,, *Commn.,* 2½ % *on Rs.*283 8/-	7	1	9	12	3	5
	Net proceeds, Rs.	...	...	...	256	14	4
	,, *Int. on Rs.*256 14*a.* 4*p. for* 51 *days, @* 6 % *per annum*	...	...	...	2	2	4
					*Rs.*254	12	-

To the Credit of Messrs. TIMOTHY JONES AND Co., for 1 Case, Shipt. 9107.

E. & O.E.,

Karachi, 12th Decr., 1898.

BROWN, JONES & BROWN.

ACCOUNTS CURRENT.

Another document which is largely, but by no means exclusively, used in connection with goods shipped "on consignment" is an Account Current.

This, as the term implies, is a running account, or a statement of transactions which have taken place between two parties acting as agent and principal respectively. Such an account is frequently rendered by a branch firm to a head firm, or *vice versa*, and shows in the form of debit and credit entries all payments made and amounts received by the one firm on account of the other. An account of this kind is frequently rendered by a consignee to his consignor, in respect to goods shipped on consignment. Interest *pro* and *con* is usually computed on each item separately, the customary rate of interest being 5 per cent., unless some other arrangement has been made. Accounts Current are usually made up at certain stated periods, say, 30th June or 31st December; sometimes on both dates, and frequently at even shorter periods than six months.

There is one point in connection with accounts current which requires some explanation, as it is a frequent cause of perplexity to novices. We refer to the interest to be debited or credited in cases where the due date of one or more items falls subsequent to the date on which the Account Current is made up. For instance, you are making up an Account Current to 30th June, and you credit certain drafts drawn by you on your correspondent which are not due until, say, 31st August, and you debit certain drafts which you have remitted, but which do not mature until, say, 20th September. In such cases interest would be computed from the 30th June to the due date, and the interest and number of days would be entered in the Account Current in *red ink*. The items of "red interest" are added together, and the balance *pro* or *con* entered (in black ink) as "balance of red interest."

Here is a specimen of a simple account current, in which we have introduced an example of "red interest"—the figures in heavy types representing red ink:—

Messrs. Collinson, Speed & Co., Bombay, in account current with *Collinson & Co., London,*
per 31st December, 1898.

1898										1898									
July	1	*To Balance of last a/c* ...	183	9	7	6	375	-	-	*Aug.*	7	*By Cotton per "Branksmere"*	146	6	19	5	348	12	6
Aug.	18	,, *invoice per "Stella"*	135	5	7	7	290	15	-	*Sept.*	10	,, ,, ,, *"Vespasian"* ...	112	5	15	9	375	7	6
Sept.	7	,, *draft No. 527 due 10th Dec.*	21	1	1	7	375	7	6	*Oct.*	11	,, *Wheat per "Hydaspes"* ...	81	6	11	11	594	-	-
Oct.	19	,, *cash to Mr. Hartup*	73	-	5	7	28	-	-	*Nov.*	29	,, *D/D on National Bank of India*	32	1	13	4	400	-	-
,,	,,	,, *draft No. 851 due 21st Jan.*	21	1	1	7	375	7	6										
Nov.	12	,, ,, *No. 931 due 15th Feb.*	46	1	11	8	250	-	-	*Dec.*	31	,, *balance of interest*			...		4	7	4
Dec.	10	,, *invoice per "Carthage"* ...	21	-	10	10	187	13	9			,, ,, *red interest* ...			...		2	13	3
,,	31	,, *balance of interest*		4	7	4													
				21	-	5								21	-	5			
												,, ,, ,, *balance carried forward* ...	...		...		157	3	2
						£	1882	3	9							£	1882	3	9
1899																			
Jan.	1	,, *balance*			...		157	3	2										

E. & O.E.

London, 3rd January, 1899.

Collinson & Co.

Very often the consignee is drawn upon for an agreed-upon percentage of the goods. In other cases the goods are sent out without being drawn against, and remittances are made when the goods are sold and amounts realised. In either case the consignee should send by each mail a return of the goods sold since his previous advice, and at the end of each month should forward a summary of the sales for that month. He should also send a statement of his payments for duty, freight, insurance, &c., and of any allowances which he may have made, and should remit any balance due at certain stated intervals, say once a month. Sometimes remittances are made as soon as the goods are realised. An account current is usually rendered when the transaction is closed or at stated periods, as may be arranged.

In the account current given on the preceding page the interest is entered in pounds, shillings, and pence. Each item of interest is not, as a rule, calculated separately, but is taken from a book of "interest tables." There are several such books on the market, but if one is not available the interest may be calculated by the method given in our previous volume on the Home Trade—page 131.

Many firms, especially continental firms, calculate the interest by *numbers*, that is, the amount of money is multiplied by the number of days, and the product entered in the interest column, the last two figures (units and tens) being omitted. The balance of interest numbers is afterwards multiplied by the rate per cent. and divided by the number of days in the year—generally taken as 360 instead of 365—which gives the amount of interest. On the next page is a specimen of an account current made up on this principle. It will be noted that the interest is calculated on the basis of 360 days to the year.

The following example shows how the interest in this case is arrived at. The balance of numbers is 3,645. $3645 \times 6 \div 360 = 60{\cdot}75$ or \$60·75, the amount of interest shown in the Account Current. (The same result would be attained by simply dividing the total products by 60.)

The figures in heavy type represent *red* interest.

Messrs. S. E. Bigelow & Co., Bradford, in account current with *Herbert Gill & Co., New York.*

Interest at 6% per annum to 12th November, 1898.

Dr. **Cr.**

1898.		Due.	Dys	Pro-d'cts	Amounts	1898.		Due.	Dys	Pro-d'cts	Amounts
Mar. 31	*To Duty, Freight, Insurance, and Cartage* ...		226	4741	$ 2097 57	*July* 1	*By Account Sales* ...	*Aug.* 2	102	342	$334 56
Aug. 3	,, £400 90 *d/s ex.* 4.85¾	*Aug.* 3	101	1962	1943 00	,, 31	,, ,, ,, ...	*Sept.* 10	63	3021	4794 98
Oct. 6	,, £100 90 *d/s ex.* 4.81½	*Oct.* 6	37	178	481 50	*Aug.* 31	,, ,, ,, ...	*Nov.* 15	3	3	89 03
,, 26	,, £100 90 *d/s ex.* 4.82¼	,, 26	17	82	482 25	*Sept.* 30	,, ,, ,, ...	*Dec.* 17	35	36	103 64
,, 31	,, *Returns & Allowances*		25	6	21 74	*Nov.* 12	,, *Balance of Nos.* ...			3645	
Nov. 12	,, £40 90 *d/s ex.* 4.81½	*Nov.* 12			192 60						
	,, *Red Ink Nos....* ...			39							
	,, 6% *Interest on* 3645 ...				60 75						
	,, *Balance*				42 80						
				7008	$ 5322 21					7008	$5322 21
						Nov. 12	,, *Balance*				$42 80

E. & O.E.

New York, 12th November, 1898,

Herbert Gill & Co.

CHAPTER XIV

TRANSHIPMENT OF GOODS

Midway between importation and exportation is *Transhipment of Goods.* The term "transhipment" means the act of transferring cargo from one ship to another. It is also used to denote the transference of goods from one railway to another, but in this case it is a misnomer.

Ports for Transhipments.—Transhipment can only take place at certain ports designated by the Customs authorities. These ports are Glasgow, Goole, Grimsby, Hartlepool, Hull, Leith, Liverpool, London, Newcastle, Newhaven, Poole, Southampton, and Swansea.

Goods for Transhipment.—All goods imported for transhipment are regarded as in the position of goods entered for exportation only. Such goods must be reported as "in transit," and be described in the ship's report by their specific name, such as wool, cotton, &c., and not under a general denomination such as "merchandise" or "contents unknown." Should any goods intended for transhipment not have been entered in the ship's report as "in transit," the report will have to be amended.

Transhipment.—Transhipment may take place by water or by land; therefore as soon as the vessel arrives a delivery order must be obtained from the ship owners and a licensed lighterman or licensed carman be instructed to place a lighter or cart alongside the importing vessel.

Bonds.—In order to tranship goods a **bond** similar to that described on page 76 has to be entered into by the consignees of the goods. A **bond note** has also to be signed (see form on next page). Before applying for a bond note the importer must present a **Transhipment Bond Warrant** (see next page), containing a full description of the goods, to the clerk having charge of the ship's report, who, if the warrant agrees with the ship's report, will write on the warrant the word "correct," adding his initials.

A Transhipment Delivery Order (see page 113) is then signed for the goods described in the warrant, and also a Transhipment Lighter Note or Cart Note and a Shipping Bill similar to that on page 78. These are merely orders to the Customs officers on

board the exporting ship to allow and witness the shipment of the goods. On receipt of the Transhipment Delivery Order, the Customs officer in charge of the importing vessel allows the goods to be delivered into a licensed lighter or van for conveyance to the export vessel. A Transhipment Lighter Note or Cart Note is given with the goods, and this, together with the Shipping Bill, is given to the officer on board the exporting vessel, who thereupon certifies to the shipment of the goods. He will also, if required, give a Mate's Receipt, but this is not always necessary, e.g., for goods shipped from the foreign port on a "through" Bill of Lading, which covers transhipment.

Notice under General Bond, dated _____ _____

Bond Note for Transhipment & Exportation.

Bond Office, Customs, Liverpool,

Fourth day of *October*, 1898.

Marks and Nos.	THESE are to Certify that *Brown, Beane & Co.*, of No. *375, Tithebarn Street, Liverpool*, has given Security as required by law for the due Transhipment and Exportation of the undermentioned Goods, viz. :—	Values. Duty Goods.	Values. Free Goods.
B R L 1/60	* *Sixty Bags Raw Coffee, Seventy-five cwts.*	135	—

* One article only to be entered on each line.

Total Value of Free Goods only, £

Amount of Duty, *£52 10s.*

On board the "*Alexandra*," for *Havre*.

The above Goods reported *Fourth* day of *October*, 1898, ex the "*St. George*," *Smith* Master, @ *Rio de Janeiro*.

Signature of Exporter or Authorised Clerk or Agent } *William Johnson*

Clerk of the Bonds.

For Transhipment only.

In the "*Alexandra*," *Wilson* Master.
For *Harve*

4th October, 1898.

Foreign Goods in Transit: Reported Inwards by the "*St. George*" from *Rio de Janeiro* 1898, and for which Transit Bond has been given, namely :—

Fifty-two pounds ten shillings by Brown, Beane & Co.

Total value £ *135*.

Received *4th October* 1898.

.....

The following is printed on the back of the foregoing :—

For Transhipment only.

Bond Office, Customs, Liverpool.
2nd day of *August*, 189*8*.

THESE are to certify that *Brown, Beane & Co.* have given security as required by law for the due Transhipment of

$\frac{B\,L}{R}$ 1/60 = *Sixty Bags Raw Coffee, seventy-five hundredweights.*

Total value, £135.
Amount of Duty, £52 10*s*.
on board the "*Alexandra.*" Master, for *Havre.*

Clerk of the Bonds.

The above Goods reported by *Berry & Rawnsley,* the *Fourth* day of *October*, 189 *8* , ex the "*St. George,*" *Smith* Master, from *Rio de Janeiro.*

Prince's Dock,

Searcher. *Landing Surveyor.*

Opened, satisfied.

I declare the value of the above-named Foreign Goods to be £ *135.*

Brown, Beane & Co. Exporter.

4th October, 189 *8.*

Cleared 189 Received 189
Registrar.
Shipped 189
Searcher.

TRANSHIPMENT DELIVERY ORDER.

CUSTOM HOUSE,
Export Branch, Liverpool,
4th October, 18 *98* .

To the Officer of Customs on board the "*St. George,*" Captain *Smith.*

Send up in charge of an officer of Customs, to be delivered into the custody of the proper officers at *Prince's Dock.*

Mark	No.	For Transhipment only on board the *"Alexandra,"* for *Havre.*
$\frac{B\,L}{R}$	*1/60*	*Sixty Bags Raw Coffee.*

CHAPTER XV

IMPORTATION OF GOODS

We have already mentioned that the imports into this country consist mainly of raw materials and food stuffs. With the exception of cotton, which is to a considerable extent sold before it is shipped, the raw materials imported are chiefly "on consignment," that is to say, they are sent by the owner abroad for sale on his account. The same obtains with regard to a large proportion of the food stuffs imported. At the same time a very large import trade is done against "orders."

Imports against "Orders."—We will take these first, but we may premise by saying that the Customs formalities referred to further on are the same for all imports, whether "on consignment" or against "orders."

Sometimes a merchant in this country imports goods on his own account or on "joint account" with another merchant in anticipation of a rise in the market price of the goods, but in the majority of cases imports against "orders" consist of goods ordered through the home merchant by an actual manufacturer.

For instance, if a cotton spinner receives an order in, say, the month of December for yarn to be delivered in the following April, he goes to a merchant who deals in the particular kind of cotton required (we will say in this case "fine" Broach—a class of cotton grown around Broach and Surat on the West Coast of India), and asks what the price is for early March shipment (or sailing) from Bombay. The merchant, who receives from his firm in Bombay daily telegraphic advices of the prices ruling for the different kinds of cotton, at once names a price, and if this suits the spinner a bargain is struck there and then, and is afterwards confirmed in writing. The merchant the same day telegraphs to his firm in Bombay that he has sold amongst others, say, 100 bales of "fine" Broach, at $3\frac{7}{8}$d. per lb. c.i.f., early March shipment, from Bombay to Liverpool, and such other particulars as may be necessary. The Bombay firm then buys the cotton (in Indian weights, and at a rupee price, of course), fixes (i.e., sells) exchange, and engages freight.

In due course the Bill of Lading will be received, together with an Invoice and Weight Note, as described further on.

In this case the buyer will probably be drawn upon by a "clean" draft at 3 m/s. On receipt of the Bill of Lading he will forward the document to a shipping agent in Liverpool, with instructions to clear and forward the goods. The shipping agent will then attend to the Customs formalities and other proceedings necessary (which are described further on), and will send a Debit Note for the charges incurred. The insurance will be covered by the merchant.

Another case where goods are imported against orders is that of a merchant or dealer in this country ordering produce direct from a firm abroad, for instance, a produce merchant in London ordering, say, Tapioca from a firm in Singapore. The procedure in this case would be very similar to that already described, except that the order might be telegraphed direct, instead of through the home firm, and that, instead of the buyer being drawn upon, the drawee would probably be a London bank designated by the buyer. Before this could be done the buyer would, of course, have to make an arrangement with the London bank to "accept" the drafts, that is to say, he would have to "open a credit," as it is called.

There are two kinds of credits, viz., "open credits" and "documentary credits."

An open credit in the above case would be "Letter of Credit" signed by the London bank authorising the firm abroad to draw on them, at say, 3 m/s for any sum or sums not exceeding in the aggregate a certain specified amount, say, £5,000, and undertaking to "accept" the bills on presentation. It is usually stipulated that the credit is not to remain in force after a specified date, and the firm accredited is requested to state in each draft "Against your L/C No. ——." This Letter of Credit would be forwarded by the London firm to the firm abroad, in order that it may, if necessary, be produced when the bills are negotiated abroad, as proof that the firm is authorised to draw on the bank. It will thus be seen that an "open credit" refers to "clean" bills, the documents against which the bills are drawn not having to be produced.

A Documentary Credit (occasionaly called a "marginal credit") is in much the same form as the above, except that it states that the documents against which the bills are drawn (viz., full set of Bills of Lading, with invoice, policy, and letter of advice in duplicate) are to accompany the drafts, and that the amount drawn in each case is not to exceed, say, 75 per cent. of the cost of the goods. A "Documentary Credit," therefore, refers to "documentary bills." This credit would also have to be forwarded to the firm abroad.

Credits similar to those described above are not confined to banks, they are frequently given by private firms, and they are also arranged for by foreign firms in favour of home firms, who may be shipping goods abroad for account of such foreign firms.

Insurance.—Just as a firm, when exporting goods, may either take out a separate policy for each shipment, or may declare such shipments against an "open policy," so a firm abroad, when shipping produce for account of a home firm, may insure each shipment separately, or may leave the home firm to declare the risk under an open policy which the latter has taken out. Firms in this country having large import transactions usually prefer to do their own insurance, and for this purpose they take out an "open policy," of which the following is a specimen :—

Be it known that *Arundel, Keene & Co.*

S. G.

£30,000.

Delivered the *28th* day of *March*, 1899.

(No. *423,796*)

as well in *their* own Name, as for and in the Name and Names of all and every other Person or Persons to whom the names doth, may, or shall appertain, in part or in all, doth make assurance and cause *themselves* and them and every of them, to be insured, lost or not lost, at and from *Bombay, to a Port in the United Kingdom, with leave to call at all and any Ports and places on the voyage for all and any purposes.*

upon any kind of Goods and Merchandises, and also upon the Body, Tackle, Apparel, Ordnance, Munition, Artillery, Boat and other Furniture, of and in the good Ship or Vessel called the *Steamer or Steamers, warranted to sail on or before 31st May*, 1899, whereof is Master, under God, for this present Voyage, or whosoever else shall go for Master in the said Ship, or by whatsoever other Name or Names the same Ship, or the Master thereof, is or

shall be named or called, beginning the Adventure upon the said Goods and Merchandises from the loading thereof aboard the said Ship .

upon the said Ship, &c., *including all risk of craft to and from the vessel,* and shall so continue and endure, during her Abode there, upon the said Ship, &c.; and further, until the said Ship, with all her Ordnance, Tackle, Apparel, &c., and Goods and Merchandises whatsoever, shall be arrived at *as above,*

upon the said Ship, &c., until she hath moored at Anchor Twenty-four hours in good safety, and upon the Goods and Merchandises until the same be there discharged and safely landed; and it shall be lawful for the said Ship, &c., in this Voyage to proceed and sail to and touch and stay at any Ports and Places whatsoever *and wheresoever, for all and any purposes, without being deemed a deviation, and* without prejudice to this Insurance. The said Ship, &c., Goods and Merchandises, &c., for so much as concerns the Assured, by Agreement between the Assured and Assurers in this Policy, are and shall be valued at £30,000 *on Cotton, as may be hereafter declared and valued. Being on shipments made by Lewis Arundel & Co., of Bombay, in which they are interested, or which they may have received instructions to insure.*

Touching the Adventures and Perils which we, the Assurers, are contented to bear and do take upon us in this Voyage, they are, of the Seas, Men-of-War, Fire, Enemies, Pirates, Rovers, Thieves, Jettisons, Letters of Mart and Countermart, Surprisals, Takings at Sea, Arrests, Restraints, and Detainments of all Kings, Princes, and People, of what Nation, Condition, or Quality soever, Barretry of the Master and Mariners, and of all other Perils, Losses, and Misfortunes that have or shall come to the Hurt, Detriment, or Damage of the said Goods and Merchandises and Ship, &c., or any part thereof; and in case of any Loss or Misfortune it shall be lawful to the Assured, their Factors, Servants, and Assigns, to sue, labour, and travel for, in, and about the Defence, Safeguard, and Recovery of the said Goods, Merchandises, and Ship, &c., or any part thereof, without prejudice to this Insurance; to the charges whereof we, the Assurers, will contribute each one according to the rate and quantity of his sum herein assured. And it is agreed by us, the Insurers, that this Writing or Policy of Assurance shall be of as much force and effect as the surest Writing or Policy of Assurance heretofore made in Lombard Street, or in the Royal Exchange, or elsewhere in London. And so we, the Assurers, are contented, and do hereby promise and bind ourselves, each one for his own part, our Heirs, Executors, and Goods, to the Assured, their Executors, Administrators, and Assigns, for the true performance of the premises, confessing ourselves paid the consideration due unto us for this Assurance by the Assured at and after the rate of *Fifteen shillings per cent.*

IN WITNESS whereof we, the Assurers, have subscribed our Names and Sums assured in *London, this 27th day of March*, 1899.

N.B.—Corn, Fish, Salt, Fruit, Flour, and Seed are warranted free from Average, unless general, or the Ship be stranded; Sugar, Tobacco, Hemp, Flax, Hides, and Skins are warranted free from Average under Five Pounds per cent.; and all other Goods, also the Ship and Freight, are warranted free from Average under Three Pounds per cent., unless general, or the Ship be stranded.

To follow and succeed a Policy for £20,000 *done at Lloyds, and dated 30th January*, 1899.

To pay average on every 10 *Bales running landing numbers.*

General Average payable as per foreign statement, if so made up.

Declarations to be made binding in their order, whether in the order of the Bills of Lading or otherwise; or in the absence of Declarations they shall be in the order of the date of the Bills of Lading. Declarations in all cases to be binding as to the value of the Interest.

Warranted free from capture, seizure, and detention, the consequences thereof, or of any attempt thereat, and from all consequences of hostilities or warlike operations, whether before or after declaration of war.

The names of the underwriters and the amounts underwritten would be written on the back of the policy, as described in the Chapter on Marine Insurance.

It will be seen from the above clause that the insured is covered by this policy even when no declaration has been made, so long as the shipment can be proved.

Insurance Letter.—When goods are shipped abroad for account of a home firm who insure themselves, as in the above case, a "letter of insurance," in lieu of the policy, is handed to the bank when a documentary bill is drawn. This is simply a letter addressed to the home firm, giving particulars of the shipment and requesting the firm to declare a specified sum against their open policy and to satisfy the bank's London office that the insurance is fully covered. In all cases the bank reserves to itself the right of insuring for its own protection should the insurance not have been effected.

Fire Insurance.—When the steamer arrives, the bank will request the drawee to cover fire insurance, and if this is not done immediately they will insure themselves and debit the drawee with the premium.

Imports "on Consignment."—These imports consist mainly of foreign or colonial produce shipped to a merchant in this country for sale on commission. Arrangements have, of course, been previously made that the home firm will receive such consignments, and in each case the consignor either draws on the consignee for, say, 75 per cent. of the invoice amount or receives an advance of about that amount from the consignee's branch firm abroad. In these cases the consignor generally prefers to attend to the marine insurance himself, but in many cases he leaves the insurance to the home firm. The consignor, of course, sends to the consignee an Invoice and Weight Note, together with the Bill of Lading, and when the goods are sold the consignee sends to the consignor full particulars of the sales, and remits any balance that may be due.

Places of Sale.—Most of the goods imported on consignment are sold by auction, there being certain recognised places where the sales are effected, and where traders in the different articles meet each other. Many of these places are in London. The goods are sold on *samples* chiefly.

Colonial Wools are mostly sold at the "Wool Exchange," in Coleman Street, London, sales being held at fixed periods. There are also periodical sales at Liverpool (chiefly South American and East Indian wools), and occasionally at Bradford.

Corn, and cereals generally, are dealt with at the Corn Exchange, Mark Lane (London), and also at Hull.

Oil Seeds (linseed, rapeseed, cottonseed, &c.) and oils and oil cakes are sold at the "Baltic," in Threadneedle Street, London, and at Hull.

Colonial and East Indian Produce of various kinds (such as tea, coffee, sugar, drugs, spices, indigo, silk, &c.) is sold at the "Commercial Sale Rooms," in Mincing Lane, London, and also at Liverpool.

Green Fruits are disposed of in two or three places in London, Pudding Lane, Monument Yard, and Covent Garden being the principal markets.

Cotton is sold chiefly at the "Cotton Exchange," Liverpool. For produce of this kind Liverpool is obviously the most convenient centre, being the nearest port to the United States, whilst only a few miles distant from the seat of manufacture. A cotton market has lately been established in Manchester in connection with the Ship Canal. Cotton is also sold in London, but only to a comparatively small extent.

Notices of London sales, together with market reports, prices current, reports of sales, and a variety of other information, may be found in the *Public Ledger*, a newspaper published in London, and issued on Wednesday and Saturday in each week.

CHAPTER XVI

IMPORTATION OF GOODS—*Continued*

Importing Goods.—Before we can import goods we must hold the document entitling us to take possession of them, i.e., the Bill of Lading. Presuming that we have received that document from our correspondent abroad, we must ascertain when the vessel carrying the goods is likely to arrive. This can usually be done by inquiring at the office of the owner or agent of the ship; if, however, we do not know the name of the owner or agent, we must look out for the report of the arrival of the vessel in *Lloyd's List* or one of the other shipping newspapers which report arrivals of vessels.

Delivery Order.—The ship having arrived, we must next, in order to obtain possession of the goods, obtain a delivery order from the agents of the vessel. Some ship agents give a delivery order in exchange for each bill of lading, others write or stamp a delivery order across the face or on the back of the bill of lading, in which case the bill of lading is given up when the goods are taken delivery of.

Payment of Freight.—Before a delivery order can be obtained, any freight or other charges due to the shipowner must be paid. The owners of the ship can legally stop delivery of the goods until these charges are paid. If goods are landed before the delivery order is applied for, the shipowner gives formal notice to the dock company or the proprietor of the warehouse where the goods are stored to retain the goods until a "release" is received authorising delivery. If we wish to take delivery of the goods at once and the exact amount of freight cannot be ascertained, the shipbroker will usually take a sum which he considers will cover the amount due, the difference being adjusted afterwards.

Taking Delivery.—Having obtained our delivery order, we have now to take delivery of the goods. The discharging of a ship's cargo rests entirely with the owners of the ship or their representatives; therefore, unless we want to receive the goods in barges for the purpose of transhipment (which has been already dealt with), we do not apply direct to the ship's officers, but to the dock company or wharfingers into whose charge the goods are usually given. Before that can be done, however, several Custom House formalities have to be complied with.

A Custom House is the house or office where goods are entered for importation or exportation, where the import duties on such goods are paid or drawbacks received, and where vessels are "cleared." The principal Custom House is in London, but there are subordinate Custom Houses at all the principal seaports. The Custom House regulations are based on the "Customs Laws Consolidation Act, 1876," and the management of the department is entrusted to certain "Commissioners of Customs" appointed by Her Majesty. Under these gentlemen are numerous subordinate officers, known as Collectors of Customs (the heads of the Customs Houses), Inspectors, Surveyors, Examining Officers, Preventive Officers, and so on.

Customs and Excise Duties.—There are two kinds of duties imposed by the Government on articles of merchandise, viz.:—

Customs Duties, which are taxes imposed on certain goods imported into this country from abroad, and

Excise Duties, which are duties imposed on certain articles of home production.

Both kinds of duties are regulated by Acts of Parliament, and are under the control of the Revenue authorities. The Customs and Excise produce a large proportion of the national revenue of the United Kingdom. For the fiscal year ending 31st March last, out of a total revenue of £106,600,000, Customs contributed £22,000,000, and Excise £28,000,000, or together, nearly half the total revenue.

The Customs Duties are contained in a document or schedule, known as the Customs Tariff. In nearly all foreign countries this is a very formidable and complicated document, but the tariff of the United Kingdom has been growing smaller and smaller until it is now probably the smallest tariff in existence, and consists of some thirty heads only. A copy of the tariff is given below. It will be seen that the chief articles on which Customs duties are levied in this country are wine, beer, spirits, tea, coffee, tobacco, currants, and preserved fruit (such as French plums). If plum puddings are imported, duty is charged on the estimated ingredients, viz., raisins, currants, spirits, &c. How the estimate is to be formed the Customs regulations do not specify.

CUSTOMS TARIFF OF THE UNITED KINGDOM.

ARTICLES.	RATES OF DUTY.	£ s. d.
Cocoa:		
Raw	Lb.	0 0 1
Husks and Shells	Cwt.	2 0
Cocoa or Chocolate, Ground, Prepared, or in any way Manufactured	Lb.	0 0 2
(For additional duty, if spirit has been used in the manufacture, see next page).		
Cocoa Butter	Lb.	0 0 1
Coffee:		
Raw	Cwt.	0 14 0
Kiln-dried, Roasted, or Ground	Lb.	0 0 2
Chicory:		
Raw or Kiln-dried	Cwt.	0 13 3
Roasted or Ground	Lb.	0 0 2
Chicory (or other Vegetable Substances) and Coffee, Roasted and Ground; Mixed	Lb.	0 0 2
Fruit, Dried:		
Currants	Cwt.	0 2 0
Figs, Fig-cake, Plums not preserved in Sugar, Prunes, and Raisins	Cwt.	0 7 0
Tea	Lb.	0 0 4
Tobacco:		
Unmanufactured, containing 10 lbs. or more of moisture in every 100 lbs. weight thereof	,,	0 2 8
Unmanufactured, containing less than 10 lbs. of moisture in every 100 lbs. weight thereof	,,	0 3 0
Manufactured:		
Cigars	,,	0 5 0
Cavendish or Negro-head	,,	0 3 10
Snuff, containing in every 100 lbs. weight thereof — more than 13 lbs. of moisture		0 3 2
Snuff, containing in every 100 lbs. weight thereof — not more than 13 lbs. of	,,	0 3 10
Other Manufactured Tobacco, and Cavendish or Negro-head Manufactured in Bond from Unmanufactured Tobacco		0 3 5
Wine:		
Not exceeding 30 degrees of Proof Spirit	Gallon	0 1 0
Exceeding 30, but not exceeding 42 degrees of Proof Spirit	,,	0 2 6
Every degree or part of a degree beyond the highest above charged, an additional duty of	,,	0 0 3
(Degree not to include Fractions of the next higher degree. Wine includes lees of wine.)		
Additional duty on Sparkling Wine imported in Bottle	,,	0 2 0

IMPORT DUTIES TO COUNTERVAIL EXCISE DUTY UPON BRITISH SPIRITS.

ARTICLES.	RATES OF DUTY.	£ s. d.
Spirits and Strong Waters:		
For every gallon, computed at hydrometer proof, of Spirits of any description (except perfumed Spirits), including Naphtha or Methylic Alcohol purified so as to be potable), and mixtures and preparations containing Spirits	Proof Gall.	0 10 4 and 6d. additional
Liqueurs, Cordials, or other preparations containing Spirits, in bottle, entered in such a manner as to indicate that the strength is not to be tested	Gallon	0 14 0 and 8d. additional
Perfumed Spirits		0 16 6 and 9d. additional
Spirits, Methylated in Bond	Proof Gall.	0 0 4
Chloroform	Lb.	0 3 1
Chloral Hydrate		0 1 3
Cocoa or Chocolate, in the manufacture of which Spirit has been used, in addition to any other duty to which such Cocoa or Chocolate is at present liable	,,	0 0 0½
Collodion	Gallon	1 5 0
Confectionery, in the manufacture of which Spirit has been used, in addition to any other duty to which such Confectionery is at present liable ...	Lb.	0 0 0½
Ether, Acetic	Gallon	0 1 10
,, Butyric	,,	0 15 8
,, Sulphuric	,,	1 6 2
Ethyl, Bromide	Lb.	0 1 0
,, Chloride	Gallon	0 15 8
,, Iodide of	,,	0 13 7
Methylic Alcohol, purified so as to be potable	see Spirits & Strong Waters.	
Naphtha, ,, ,, ,,		
Soap, Transparent, in the manufacture of which Spirit has been used	Lb.	0 0 3

IMPORT DUTIES TO COUNTERVAIL EXCISE DUTY UPON BRITISH BEER.

ARTICLES.	RATES OF DUTY.	
		£ s. d.
Beer called Mum, Spruce, or Black Beer, and Berlin White Beer, and other preparations, whether fermented or not fermented, of a character similar to Mum, Spruce, or Black Beer: the Worts of which were, before fermentation, of a specific gravity:		
Not exceeding 1,215 degrees	For every 36 Gallons	1 8 0
Exceeding 1,215 degrees	,,	1 12 10
Beer of any other description, the Worts of which were, before fermentation, of a specific gravity of 1,055 degrees		0 7 0 and so on in proportion for any difference in specific gravity.

IMPORT DUTY TO COUNTERVAIL STAMP DUTY ON BRITISH-MADE ARTICLES.

Playing Cards	Doz. packs	0 3 9

Specific and ad valorem duties.—In this country all our Customs duties are *specific*, i.e., the duty is based on a fixed quantity, say so much per lb., per gallon, &c. In some foreign countries an *ad valorem* duty is levied, e.g., the Belgian duty on certain woollen goods is 15 % *ad valorem*. This means a percentage on the value of the Goods. In other countries both kinds of duties are levied, on different kinds of goods, though in some cases (as the recent United States McKinley Tariff) a specific as well as an *ad valorem* duty is levied on the same goods.

CHAPTER XVII

IMPORTATION OF GOODS—*Continued*

Customs Formalities.—We have already explained the Customs formalities in connection with the exportation of goods. As no export duties are levied in this country, the Customs regulations as to exports of non-dutiable goods are very simple, only one document (the Customs Specification) being necessary, as you will remember. As regards *imports*, the procedure is different and more complicated.

Ship's Report.—The first formality to be observed with regard to the importation of goods is the entry or "report" of the importing ship at the Custom House. This is the act of the master of the ship, or of a responsible officer appointed by the master in writing, and is described in the Chapter on "Ships and Shipping." It will be sufficient to say here that the "Ship's Report" is a document in a prescribed form giving the name and tonnage of the vessel, the number of the crew, the name of the master and the port from whence arrived, together with a detailed list of the entire cargo, viz., the marks and numbers of the packages, their contents as far as possible, and, where known, the names of consignees. It has to be made out in duplicate, the original being retained by the Custom House and the duplicate forwarded to the Customs officer at the dock or station where the ship is to discharge her cargo, so that the officer may have particulars of the cargo being brought by the vessel. If it is afterwards found that any goods have not been included in the report, the owners of such goods will not be allowed to take delivery until the report has been amended by the master of the ship.

Landing of Goods.—The cargo is not usually kept on board until claimed by the consignee (except transhipment cargo, which has to be specially declared as such), but is generally landed as soon as possible after the ship is reported, and is taken charge of on behalf of the importer by one of the dock companies or wharfingers, by whom the goods are weighed, tared, measured, gauged, or sampled, as required, and who shortly afterwards furnish the importer with Landing Accounts, Weight Accounts, Piling Accounts, &c., for convenience of sale.

While being landed, the goods are inspected by the Customs officials, and if found to be "free," they are left at the disposal of the importer. If, however, they are dutiable, they are closely watched by the Customs officials, and the operations of weighing, gauging, &c., are carried out under the supervision of the Customs officials themselves, who enter the particulars in certain books, called "landing books," which then form the official record of the goods.

All dutiable goods which are not taken delivery of immediately are stored in one of the bonded warehouses provided at all the principal seaports. Separate warehouses, or parts of warehouses, are provided for different kinds of goods, e.g., one warehouse or floor is reserved for tea, another for tobacco, a third for wines and spirits, and so on; and the warehouse-keepers are responsible for the proper storage of the goods.

The lightermen and carmen who handle dutiable goods are under heavy bonds to the Customs, and only persons so "bonded" and licensed by the Commissioners of Customs may be employed in this work.

Customs Entry.—Presuming that the ship has been properly "reported," the merchant or owner of the goods may now make his Customs "entry" with a view to obtaining delivery. This is done by filling up a prescribed form, and delivering the same, with one or more copies as required, to the Customs officials, producing at the same time (if required) the Invoice, Bills of Lading, and other documents relating to the goods.

For Customs purposes, imports into the United Kingdom are divided into two classes, viz.:—

Free Goods, i.e., goods on which no Customs duties are levied, and

Dutiable, or, as they are commonly called, *Bonded Goods*, i.e., goods on which duties have to be paid, such as wines and spirits, tea, tobacco, &c.

The bulk of the imports into this country consists of *free goods*, e.g., last year, out of our total imports, amounting in value to £451,000,000, only £31,000,000 or 7½% were dutiable.

Free Goods.—Entries for free goods are made by what are known as *Free Entries.* On these documents full particulars have to be given as to the marks, numbers, quantity, description, and value of the goods, so as to enable the Customs officials to identify them. The description of the goods has to be in accordance with the published official "Import List" (just as goods exported have to be entered in accordance with the "Export List"), e.g., if you were importing parasols with silk covers, you would not enter them as "parasols," but as "silk manufactures unenumerated." The entry is required in this form for statistical purposes, as explained before.

This is the form of entry for free goods :—

ENTRY FOR FREE GOODS.

Port : *Liverpool.*
Dock or Station : *India Dock.*
Importer's Name : *Meade & Newton.*

Ship's Name.	Master's Name.	Rotation No.	Date of Report.	Port or Place whence.
"Trinacria"	*Smith*		23/9/98	*Bombay*

Marks and Nos.	No. of Packages and Description of Goods, in accordance with the Official Import List.	Quantity.	Value. £
B R C 1/100	*One hundred Bales raw Cotton*	351 *cwts.*	650

I enter the above Goods as free of Duty, and declare the above particulars to be true.

Dated this *24th* day of *September*, 1898.

(Signed), *John Meade, Jr.*,
Importer, or his Agent.

Two copies of this entry are required. One is called the "*Warrant*," the other the "*Bill.*" In the "Warrant" the number of packages must be expressed in words, in the "Bill" these may be in figures. Both these documents are retained by the Customs authorities. The "Warrant," when signed by the collector or other proper officer, is forwarded to the examining officer on board the ship or at the place where the goods are landed, and is his warrant for the delivery of the goods mentioned in the document. The "Bill" is forwarded to the Statistical Office for use in compiling the statistical records of the Imports and Exports of the United Kingdom.

Another document which has to be presented with the Warrant and Bill is the *Landing Order*. This is made out in this form:

LANDING ORDER.

Free and Warehousing Branch.

Liverpool, *24th Sept*, 1898.

To the Out-door Officer on Board the "*Trinacria.*"

Smith, Master, from Bombay.

Deliver to be landed at India Dock.

Marks.	Nos.	Description of Packages and Goods.	Quantity or Value.
B R C	1/100	100 *Bales Raw Cotton*, 351 *cwts.*	£650

The Landing Order for dutiable goods is in the same form, but is printed on pink paper. This Landing Order, when signed and stamped by the Customs official, is handed back to the person passing the entry and is then taken to the officer at the place where the ship is lying. If the entry and the landing order are found to be in proper order, the clearance is complete and the goods are at the disposal of the owners. These forms are now only used in London and a few other large ports.

Dutiable Goods.—For dutiable goods the procedure is very different. We have already stated that such goods are closely watched by the Customs until the duties are paid, and it now only remains to explain the Customs formalities which have to be observed in "clearing" the goods.

The method of "entering" is in many respects similar to that of free goods, but the document in this case is called a *Warehousing Entry*, from the fact that it is stated on the entry that the goods are "to be warehoused" in one of the bonded warehouses under the control of the Customs authorities. This is the form, which you will see differs very little (except in the declaration at the foot) from the entry for free goods.

ENTRY FOR WAREHOUSING.

Port of LONDON. Dock or Station, *West India Dock*

Importer's Name *James Henderson*

Ship's Name.	Date of Report.	Master's Name.	Port or Place whence arrived.
"Hydaspes"	*15 Oct. /98.*	*Williams*	*Calcutta*

Marks.	Numbers.	Number of Packages, Quantity, Description, and Value of Goods.
PJ / C	*1/100*	*One-Hundred Chests Tea, 10,640 lbs. (in full)* Value, £ *440.*

I enter the above Goods to be Warehoused *in the Priory Warehouse*

I hereby declare the above particulars to be true.

Dated this *17th day of October*, 189 *8.*

Signed *James Henderson*

This form is used for goods intended to be warehoused without payment of duty when first entered. This entry, like the entry for free goods, is forwarded by the Customs officials to the examining or other proper officer, and is his warrant for landing and warehousing the goods. After being entered and landed for warehousing, although not actually deposited in the warehouse, the goods or any part of them may, upon further entry, be delivered for home use (or for sale) or for exportation, as the case may be. Whilst in the warehouse, the goods may be weighed, sampled, &c., but they cannot be removed until the Customs duties have been paid.

If required for home use direct from the ship, this is the further form of entry necessary:—

No. 22 (Sale.)

ENTRY FOR HOME USE.

Port of Importation } *London* Dock or Station *West India*

Prime or Post *Prime.*

Merchant in whose name the goods are entered *James Henderson*

Importer's Name *James Henderson* Prime Entry dated _____ 189

Ship's Name.	Date of Report.	Master's Name.	Port or Place from whence.
"Hydaspes"	15*th Oct.*, '98.	*Williams*	*Calcutta.*

Marks.	Numbers	Place and County of destination in the United Kingdom	Number of Packages, Quantity, and Description of Goods, in accordance with the requirements of the Official Import List.	Value	£	s.	d.
PJ / C	1/100	*London*	*One hundred chests Tea,* 10,640 *lbs.*	£ 440			
			Warehoused 17*th October*, 1898.				
			Total amount of Duty payable on Entry ...	£	177	6	8

I declare the above particulars to be true.

Dated this 17*th* day of *November*, 1898.

(Signed) *James Henderson.*
Importer.

Before this document can be made use of, the import duty chargeable must, of course, be paid to the Customs authorities.

If the goods are warehoused and duty paid subsequently, they are cleared on "Warrants for Home Consumption," of which there are four kinds, viz.: (1) for Wet Goods; (2) for Tobacco and Cigars; (3) for Tea; and (4) for Dry Goods other than Tea and Tobacco.

Landing Accounts.—When goods are not removed immediately when landed, they are, as soon as possible, weighed and tared, and a form called a Landing Account filled up by the dock company's officials. This gives particulars of the goods, the name of the vessel by which imported, and the port she sailed from, the name of the person by whom the goods were entered, the date from which rent begins to run, and the gross, tare, and net weights. If any goods are found to be damaged, by sea water or otherwise, this is taken note of, and a "Certificate of Damage" is made out, which is afterwards delivered to the owner of the goods, in order to enable him to claim on the underwriters, should they be liable.

Dock Warrants.—When the goods are warehoused, the dock company give a receipt for them to the owner, or, if desired, they will give him a Dock Warrant. This is a certificate containing the same particulars as the Landing Account, but it is headed "Warrant," and states that the goods are deliverable, to the owner or his assigns, by endorsement thereon. A Dock Warrant is a negotiable instrument in the same sense as a Bill of Lading, inasmuch as the goods it represents are transferred with the document, when it is properly endorsed. The holder of a Dock Warrant may therefore deposit it against a loan, or he may sell it, and thus sell the goods which it represents. When once a warrant is issued, the dock company will only deliver the goods in exchange for the warrant.

Bill of Sight.—If an importer is unable to state definitely the quantity or other particulars of the goods consigned to him, and is therefore unable to make what is called a "perfect entry" (which is not often the case), a form called a *Bill of Sight* has to be filled up. This is the form, which needs no explanation.

BILL OF SIGHT.

Port of *Liverpool.*
Importer *John W. Leach.*

Wharf, Dock, or Station.	Ship's Name.	Whether British or Foreign; if Foreign, the Country.	Master's Name.	Port or Place from whence imported.
Albert Dock	"*Pleiades*"	*British*	*Simpson*	*Valparaiso*

Marks.	Numbers.	Number of Packages, with the best Description of the Goods the Importer is able to give.
$\frac{W\ G}{S}$	257	1 *Case, believed to contain Curiosities*

I, *John W. Leach, Importer* of the Goods above mentioned, do hereby declare that I have not received sufficient Invoice, Bill of Lading, or other advice from whence the Quality, Quantity, or Value of the Goods above mentioned can be ascertained.

Dated this *10th* day of *November*, 189*8*.

(Signed) *John W. Leach*
Importer.

(Signed) *W. E. S.*
Collector.

When this document has been signed by the collector, it becomes the warrant for provisionally landing the goods, which may then be examined by the importer in the presence of the Customs officers. Within three days after landing, the importer must make a full or "perfect entry," by endorsing upon the Bill of Sight all the necessary particulars. This is required whether the goods are free, dutiable, or to be warehoused.

Removal to another Warehouse.—When it is desired to remove goods to a bonded warehouse in another part of the kingdom, without payment of duty, a Bond Note and other documents similar to those given on pages 76 and 77 (but printed on *green* paper) have to be filled up.

We have now described the principal formalities which have to be complied with on importing goods. There are, however, some other matters connected with the subject, but as it would serve no useful purpose to go into them in detail, we will explain them very briefly.

A Prime Entry is an entry for dutiable goods, and is used when it is desired to pay the duty (an estimated amount sufficient to fully cover the duty) and take delivery of the goods as soon as they arrive without the expense of warehousing them. (See Entry for Home Use.) On the goods being landed, and their net landing weight or quantity being ascertained, a **Post Entry** is made for any quantity short entered on the prime, and the goods are delivered to the owner.

Certain goods are prohibited from being imported. These are called **Contraband.** Smuggled goods are also treated as contraband if seized, and are confiscated, the smugglers being subject to penalties.

CHAPTER XVIII

IMPORTATION OF GOODS—*Continued*

Documents used in Importing Goods.—It will be seen from the foregoing that the documents usually handled in import business are as follows:—

Invoice.
Weight Note.
Bill of Lading. } Received from abroad.
Draft.
Insurance Letter.
Policy of Marine Insurance.
Policy of Fire Insurance.
Delivery Order or Freight Release.
Customs Documents.
Landing Accounts.
Dock Warrants.
Broker's Account Sales.
Merchant's Account Sales (for goods "on consignment").

Of the above, the first two and the last two are all that remain to be dealt with, and we give specimens of these documents on the following pages. They require little, if any, explanation.

Invoice of Cotton

(AGAINST A SALE).

Invoice of *100 Bales Cotton* shipped by the undersigned per steamer *"City of Rome"* for *Liverpool*, by order and for account and risk of *Messrs. Barnaby Rudge & Co., Manchester.*

B 296 R / F B	100	*Bales Fine Broach*			
			C. q. lb.		
		Gross Weight	365 2 7		
		Tare ...	14 1 4		
		Net ...	351 1 3		
		or 39,343 *lbs.* @ 3⅞*d. c.i.f.*		635	4 6
1/100		*Less Freight payable in Liverpool*		31	13 2
				£603	11 4
		Bombay, 10th March, 1898.			
		LEWIS ARUNDEL & Co.			

If the above cotton were shipped on consignment, the invoice would be headed :—

Invoice of 100 Bales Cotton shipped by the undersigned per steamer "*City of Rome*" for Liverpool, for sale and returns on account of the concerned (or on account of Lewis Arundel & Co.).

Weight Note.

Weights of B 296 R / F B *1/100=100 Bales* Cotton shipped per steamer "*City of Rome*" to *Liverpool*, by *Lewis Arundel & Co., Bombay.*

Bombay, 13th March, 1897.

Nos.	c.	q.	lb.	Tare.	Nos.	c.	q.	lb.	Tare.	Nos.	c.	q.	lb.	Tare.	Nos.	c.	q.	lb.
1	3	2	16		31	3	2	20		61	3	2	19		91	3	2	17
2			18		32			20		62			19		92			18
3			17		33			21		63			18		93			19
4			15		34			19		64			18		94			21
5			14		35			14		65			16		95			20
6			19		36			15		66			21		96			19
7			17		37			20		67			21		97			16
8			18		38			16		68			20		98			17
9			15		39			18		69			20		99			18
10			15		40			17		70			21		100			21
	36	1	24	16		36	2	12	16		36	2	25	16		36	2	18
11	3	2	14		41	3	2	15		71	3		14					
12			15		42			14		72			16			Totals		
13			18		43			15		73			18					
14			17		44			14		74			20		1/10	36	1	24
15			16		45			16		75			15		11/20	36	2	3
16			20		46			17		76			17		21/30	36	2	—
17			19		47			18		77			19		31/40	36	2	12
18			21		48			14		78			21		41/50	36	1	17
19			15		49			19		79			20		51/60	36	2	7
20			16		50			15		80			19		61/70	36	2	25
															71/80	36	2	11
	36	2	3	16		36	1	17	16		36	2	11	16	81/90	36	2	2
															91/100	36	2	18
21	3	2	14		51	3	2	21		81	3	2	19					
22			16		52			14		82			21			365	2	7
23			15		53			16		83			20		Tare	14	1	4
24			17		54			20		84			16					
25			19		55			15		85			17			351	1	3
26			18		56			18		86			18					
27			20		57			17		87			14					
28			21		58			20		88			15					
29			14		59			14		89			16					
30			14		60			20		90			14					
	36	2	0	16		36	2	7	16		36	2	2	16				

Account Sales

(FOR "SPOT" COTTON SOLD IN LIVERPOOL).

Account Sales of *100 Bales Cotton* ex "*City of Rome*," from *Bombay*, sold by Lionel Brown & Co., for account of *Messrs Lewis Arundel & Co.*, *Bombay*.

				£	s.	d.	£	s.	d.
B R / 296 / F B / 1/100	100	*Bales Fine Broach*							
		C. *q.* *lb.*							
		367 1 2							
		1 3 4	*D.D.*						
		365 1 26							
		14 2 10	*Tare*						
		350 3 16	*Net*						
		Or 39,300 *lb.* @ 4*d. per lb.*		665	4	9			
		Discount 1¼%		9	19	7			
							655	5	2
		Fire Insurance		1	12	6			
		Freight and Primage		31	13	2			
		Cartage and Porterage		2	10	-			
		Storage		1	17	6			
		Brokerage ½%		3	5	6			
		Commission 2½%		16	7	6			
							57	6	2
		Net proceeds, due 20th inst.		...	...	...	£597	19	-

E. & O.E.

LIVERPOOL, *15th June*, 1898.

LIONEL BROWN & Co.

Invoice of Wool

(SHIPPED FROM AUSTRALIA ON CONSIGNMENT).

Invoice of 100 *Bales Wool*, shipped at Sydney, per steamer "*Paramatta*," to *London*, and consigned to *Messrs. Griffiths & Sons, London*, for sale on account of the undersigned.

		£	s.	d.	£	s.	d.
WEM 1/100	100 *Bls. Greasy Wool*						
	C. q. lb.						
	375 0 0 *Gross*						
	9 3 8 *Tare*						
	365 0 20						
	3 1 11 *Draft*						
	361 3 9 *Net, or* 40,525 *lb.*, @ 8*d.*				1350	16	8
	Charges.						
	Shipping Expenses, 1/- *per bale*	5	-	-			
	Wharfage, 4*d. per bale*	1	13	4			
	Marine Insurance on £1,500 @ 25/- %, *and stamps* 3*d. per* £100	18	18	9			
	Bill stamp on draft	1	-	-	26	12	1
					1377	8	9
	Exchange on London ½ % *on* £1,000 ...	...	...	...	5	-	-
					£1382	8	
	Freight payable in London:						
	42,000 *lb. gross* @ §d. *per lb.*	109	7	6			
	Primage 5 %	£5	9	4			
		£114	16	10			
	Draft at 30 *d/s* £1,000.						
	SYDNEY, 5*th August*, 1898.						
	W. & E. MASON.						
	(The Weight Note would be similar to that on page 135).						

Broker's Account Sales.

Account Sales of 100 *Bales Wool*, ex steamer "*Paramatta*," from *Sydney*, sold by Auction on 22nd September, 1898, for account of *Messrs. Griffiths & Sons.*

Lot.	Bls.	Marks.		Lbs.	Price.	£	s.	d.
53	50	*WEM* 1/50	C. q. lb. 189 1 6 7 0 6 *Tare and Draft.* 182 0 0	20384	9*d.*	764	8	-
54	50	*WEM* 51/100	190 0 24 7 0 6 *Tare and Draft.* 183 0 18	20496	9*d.*	768	12	-
				£	s.	d.		
			100 *samples* @ 9*d.*	3	15	-		
			less 1/3*rd*	1	5	-	2	10	-
							1535	10	-
			Sale expenses, 4*d. per bale*	1	13	4			
			Brokerage, ½ %	7	13	6	9	6	10
							£1,526	3	2
			Prompt, 6*th October*, 1898.						
			London, 24*th September*, 1898.						
			Burnoil & Co.						

Merchant's Account Sales.

Account Sales of 100 *Bales Wool*, ex steamer "*Paramatta*," from *Sydney*, sold by Auction on 22nd September, 1898, for account of *W. & E. Mason, Sydney.*

Lot.	Bls.	Marks.		Lbs.	Price.	£	s.	d.	£	s.	d.
53	50	*WEM* 1/50	C. q. lb. 189 1 6 7 0 6 *Tare and Draft.*								
			182 0 0	20384	9*d.*	764	8	-			
54	50	*WEM* 51/100	190 0 24 7 0 6 *Tare and Draft.*								
			183 0 18	20496	9*d.*	768	12	-			
			Samples	100		2	10	-			
				40980					1535	10	-
			Freight on 42,000 *lb.*, @ §d. *and* 5 %			114	16	10			
			Fire Insurance, £1,600 @ ⅛ % ...			2	-	-			
			Dock Dues			17	-	-			
			Sale expenses			1	13	4			
			Brokerage, ½ %			7	13	6			
			Commission, 2½ %			38	7	6	181	11	2
			Due 6th October, 1898.						£1353	18	10

E. & O.E.

London, *27th September*, 1898.

Griffiths & Sons.

CHAPTER XIX

MARINE INSURANCE

There are numerous varieties of insurance, e.g., insurance against fire, against perils of the sea, against death, against excess of bad debts, against burglary, against sickness, against embezzlement by clerks or agents, against claims under the Employers' Liability Acts, against accidents to the person, to crops, to cattle, to plate-glass windows, and against other contingencies.

Of the different species of insurance just mentioned, the first three are the most important as well as the most common. They are known as *fire insurance*—meaning the insurance of both movable and immovable property on land, against damage or destruction by fire; *marine insurance*, meaning insurance of ships, goods, &c., at sea; and *life insurance*, by which the payment of a certain sum is secured at the death of the individual insured, or in the event of his reaching a certain age.

Of these, marine insurance is the most ancient, the others being of comparatively recent introduction. All we propose to deal with now is *marine insurance*, but it will be convenient to mention here some terms which are applicable to all kinds of insurance.

The word *insurance* (or "assurance," as it is sometimes called, more particularly in reference to life insurance) means a contract whereby one party, in consideration of being paid a stipulated sum or premium, undertakes to insure another against a risk to which he is exposed.

The party who takes upon himself the risk is called the *Insurer*, or the *Underwriter*.

The party protected by the insurance is called the *Insured*.

The sum paid by the insured is called the *premium*.

The instrument containing the contract to insure is called the *Policy*, and

The contingency insured against is called the *Risk*.

Of these terms, it is worthy of note that the word "assurance," (or, as we now call it, "insurance") is of Italian origin, as is also the

word "policy," derived from "polizza," a promise. This is a reminiscence of the Lombards, who came over to England in the 13th century and established themselves in London, in the place which became known, and is now known, as Lombard Street. At first these Italians engaged in money-lending, but afterwards marine insurance became an important part of their business. Marine insurance was, however, practised both in England and in other countries long before the Lombards set foot in London.

The first English Act of Parliament relating to Marine Insurance was passed in the 43rd year of the reign of Queen Elizabeth (1601), and was entitled "An Acte concerninge matters of Assurances amongste Merchantes." In the preamble to the Act it is stated that marine insurance had "bene tyme out of mynde an usage amongste merchantes, both of this realme and of forraine nacyons," but up to that date marine insurance had been carried on chiefly, if not entirely, by Germans, Flemings, and Italians resident in London. Their principal business was banking or money-lending, but marine insurance was a not unimportant part of it. The insurance had to be effected at the offices of the underwriters, but as trade increased the merchants, brokers, shippers, and other persons interested found it advisable to appoint meeting-places for mutual convenience.

Lloyd's Coffee-House.—About the end of the 17th century coffee was first introduced into England, and as it soon became very popular numerous places were established in different parts of London for the sale of the new beverage. These places were called "coffee-houses," and being situated in the business parts of the metropolis, they gradually became recognised meeting-places for the transaction of all kinds of mercantile business. One of these coffee-houses, kept by a Mr. Lloyd, soon became the resort of persons engaged in shipping, and ultimately the headquarters of the marine insurance business. In 1696 this Mr. Lloyd established under the name of *Lloyd's News*, a newspaper containing a variety of commercial and shipping information derived from places at home and abroad. This was one of the earliest commercial newspapers started in England, and was the precursor of the shipping newspaper called *Lloyd's List*, which is issued at the present day.

A large amount of business continued to be transacted at Lloyd's coffee-house, but eventually a species of gambling under the pretence of insurance was gradually introduced and increased rapidly. The Legislature, therefore, stepped in to suppress these "wager policies," as they were called, and it was enacted that a policy of insurance was not valid unless the party insured had an insurable interest in the subject matter of the insurance. This law is in existence to-day.

Lloyd's.—In order to further put down these "wager policies," and to prevent the discredit thereby attaching to the insurance business, the underwriters and brokers frequenting Lloyd's decided to form themselves into an Underwriters' Association, into which none but persons of good repute should be admitted. This Association was formed in 1770, under the name of Lloyd's, and, abandoning the coffee-house, became permanently located at the Royal Exchange, London. The Association has since been very prosperous, and has been gradually developed and improved. In 1871, just 100 years after its original formation, it was incorporated by Act of Parliament under the name of "The Corporation of Lloyd's."

The management of the Corporation is entrusted to an elected committee, known as the Committee of Lloyd's. Certain forms and rules relating to insurance matters have been drawn up by this Committee, and are generally adopted by the British ship-trading community in all parts of the world. The *Lloyd's Policy* now in use, which was officially adopted by Lloyd's in 1779, is the standard form for underwriting, and the words "Lloyd's Clauses," or the "Practice of Lloyd's," are frequently inserted in policies issued by insurance companies and other parties.

In addition to this, Lloyd's issue a number of valuable publications relating to shipping matters. Prominent amongst them is the "Official Register of Shipping," which contains a full description and classification of every steamer or ship registered in Great Britain.

Lloyd's is now known all over the civilised world as the headquarters of the marine insurance business, and the Corporation has agents at all the principal seaports at home and abroad. The duty of these agents is to transmit to the head office, both by wire and by mail, early information concerning ships and shipping, such as names

of ships arriving at or departing from the ports they represent, ships passing such ports, and ships "spoken" by other vessels. Another important duty of these agents is protecting the interests of Lloyd's, and insurance companies generally, in case of casualities to vessels at or near their ports. The information furnished by these agents is published in *Lloyd's List*, for the information of underwriters and persons interested in shipping.

Insurance Companies.—Of course, insurance business is not confined to Lloyd's. There are numerous companies carrying on the same business, but a very large proportion of the marine insurance in this country is transacted directly or indirectly at Lloyd's, and in all essential particulars the companies and the underwriters at Lloyd's work on the same lines; in fact, marine insurance generally is more or less regulated by Lloyd's.

Insurance at Lloyd's.—The initial steps to be taken to effect insurance at Lloyd's differ somewhat from those necessary when insuring with a company. This arises from the fact that Lloyd's, as a Corporation, does not insure, the business being done by individual members of that body called "underwriters," who accept the risks in their own name, and generally for comparatively small amounts. For example, if it were desired to effect insurance for £2,000 by one vessel, there would probably be twenty underwriters of, say, £100 each, £50 or £100 being generally the limit. An insurance company, on the other hand, accepts the whole risk, though they may, of course, and very frequently do, re-insure in the case of large amounts.

In order to effect an insurance, either at Lloyd's or elsewhere, the first thing to do is to fill up an insurance slip, of which a specimen has been already given (page 55).

When insuring with Lloyd's this slip is handed to an insurance broker, or one of the underwriting firms connected with Lloyds. A clerk gets the different underwriters to initial the slip and to fix the rate of premium, if the risk is one for which there is not a current rate. He then sends an acknowledgment, or "covering note" as it is called, to the person insuring (the assured). He afterwards fills up the policy on one of Lloyd's forms, endorses the

names of the underwriters and the amounts underwritten, and obtains the signatures of the respective underwriters. The policy is then forwarded to the assured. The names and the amounts on the back of a policy for, say, £450 would appear thus:—

John Sands	£100
William Jevons	£100
Samuel B. Smith	£100
Henry G. Ross	£100
Arthur Rogers	£ 50
	£450

Each of the above persons is said to "take a line" in the policy.

Insuring elsewhere.—When insuring with an insurance company, the procedure, so far as the merchant is concerned, is exactly the same, except that very frequently a broker is not employed. The only difference in the making out of the policy is that the clerks have not to seek the different underwriters. The covering note is sent out at once and the policy follows, generally the next day. There is, of course, no endorsement on the back of the policy, as the company is responsible for the whole amount insured. The covering note is for an approximate amount; the policy is definite.

The Policy.—We now come to the document which constitutes the contract of insurance. This is *the policy*. The word "policy," as we have already explained, is derived from the Italian word "polizza"—a promise, a policy being a document containing a promise to pay a specified sum of money on the occurrence of a certain event. Whatever be the form or species of insurance, "policy" is the name of the document containing the terms of the contract. When speaking in general terms, it is called a *life policy* for life insurance, a *fire policy* for fire insurance, and a *marine policy* for marine insurance; but when a particular species of insurance is understood, the word "policy" alone is used.

The standard form of marine policy in this country, is as we have already mentioned, that of Lloyd's, and all insurance companies base their policies on this form. The policy is always made out on a printed form, containing the usual clauses, with blank spaces left for filling up in writing the names of the parties, the

ship, the voyage, the nature of the risk, and amount insured, &c. These printed clauses may be varied when necessary, as explained further on.

The stamp on a policy is 3d. for every £100 (or fraction thereof) insured. A policy effected abroad must be stamped (at the same rate) within ten days after arrival in this country.

On the following pages is a specimen of a policy issued by one of the largest insurance companies in existence. This policy, with the exception of one or two points which will be mentioned, is substantially the same as "Lloyd's policy."

Union Insurance Society of Canton, Limited.

LONDON BRANCH—9, ROYAL EXCHANGE.

Be it known that *Messrs. Henderson & Co.*

As well in *their* own Name as for and in the Name and Names of all and every other person or persons to whom the same doth, may or shall appertain in part or in all; do make Insurance and hereby cause *themselves* and them and every of them, to be insured, lost, or not lost, at and from

Liverpool to Bombay

of and in the good Ship or Vessel called the *Carthage* upon Goods and Merchandises, or Treasure whereof is the Master for this present Voyage, *Smith*, or whoever else shall go for Master in the said Vessel, or by whatsoever other Name or Names the said Vessel or the Master thereof is or shall be named or called:—**Beginning** the Adventure upon the said Goods and Merchandises from the loading thereof on board the said Ship, and so to continue and endure until the said Goods and Merchandises shall be safely delivered from on board the said Ship at the aforesaid Port of

Bombay

including risk of Craft to and from the Ship.
And it shall be lawful for the said Vessel in this Voyage, to proceed and sail to, and touch and stay at any Ports or Places whatsoever (within the limits of the above Voyage), for necessary Provisions, Assistance, or Repairs, without prejudice to this Insurance; **The** said Goods and Merchandises for so much as concerns the Assured are and shall be insured for

Two Hundred and Twenty Pounds on

PJ *1/5 = 5 Bales Cotton Goods.*

Grounding in the Suez Canal and/or between Manchester and Liverpool both inclusive, not to be deemed a strand, but Underwriters to pay any damage or loss which may be proved to have directly resulted therefrom.

Touching the Adventures and Perils which the said **Union Insurance Society of Canton, Limited,** are content to bear, and to take upon them in this Voyage: they are of the Seas, Men-of-War, Fire, Enemies, Pirates, Rovers, Thieves, Jettisons; Letters of Mart and Counter Mart, Surprisals, Taking at Sea, Arrests, Restraints, and Detainments of all Kings, Princes and People, of what Nation, Condition, or Quality soever; Barratry of the Master, and Mariners, and of all other Perils, Losses, and Misfortunes that have or shall come to the Hurt, Detriment or Damage of the said Goods and Merchandises, or any part thereof; and in case of any Loss or Misfortune, it shall be lawful for the Assured, his or their Factors, Servants, or Assigns, to sue, labour, and travel for, in and about the Defence, Safeguard, and Recovery of the said Goods and Merchandises, or any part thereof, without Prejudice to this Insurance; to the Charges whereof the said **Society** will contribute. And it is agreed by the said **Society** that this Writing or Policy of Insurance shall be of as much force and effect as the surest Writing or Policy of Insurance made in LONDON. And so the said **Union Insurance Society of Canton, Limited,** are contented, and do hereby promise and bind themselves, their Heirs, Executors, Goods and Chattels, to the Assured *their* Executors, Administrators, or Assigns, for the true performance of the Premises; confessing themselves paid the Consideration due unto them for this Insurance at and after the rate of

Six Shillings

per cent. And further the said **Union Insurance Society of Canton, Limited,** covenant, promise and agree, and bind themselves, their Heirs, Executors, Goods and Chattels, in case of Loss happening to satisfy and pay in *London* the sum of Money by them so ASSURED, and no abatement whatever shall be made, but the full sum shall be paid, any use or custom to the contrary notwithstanding. The settlement of all average Losses, and other Matters relating to this INSURANCE shall in like manner, be made by the **Agent** for the **Society** in *London* agreeably to the tenor of the Policy, and according to the established practice there in such cases.

*** Corn, Fish, Salt, Saltpetre, Fruit, Flour, Seeds, and all Metals are warranted free from average: Sugar, Rice, Tobacco, Hemp, Flax, Hides and Skins, are warranted free from average under Five per Cent.; and all other Goods, also the Ship and Freight are warranted free from Average under Three per Cent; unless general or the Ship be stranded, sunk or burnt. All liquids are warranted free from claims arising from leakage or breakage of the Packages.

And it is expressly declared and agreed that no acts of the Insurer or Insured, in recovering, saving, or preserving the property insured, shall be considered as a waiver, or acceptance of abandonment.

WARRANTED FREE FROM CAPTURE, SEIZURE AND DETENTION, THE CONSEQUENCES THEREOF, OR OF ANY ATTEMPT THEREAT AND FROM ALL CONSEQUENCES OF HOSTILITIES OR WARLIKE OPERATIONS, WHETHER BEFORE OR AFTER DECLARATION OF WAR.

In Witness whereof, I, the Agent for the **Union Insuranee Society of Canton, Limited,** on behalf of the said **Society** have subscribed

my name in **London**, this *Thirtieth* day of *August* in the Year One Thousand Eight Hundred and Ninety *Eight*.

For the Union Insurance Society of Canton, Limited,

Exd. *M. P. Jukes*, Agent.

In the event of damage arising under this Policy, no claim will be admitted unless the Survey Report be signed by *Messrs. Gaddum, Bythell & Co., Agents* of the Society at *Bombay*.

Conditions of the Policy.—Before explaining the meanings of the different clauses in the policy, it will be convenient to explain some general conditions applicable to all policies.

The first condition is that for a policy to be valid the insured must have an *insurable interest* in the subject matter of the insurance. Having an "insurable interest" is defined as where a person "stands in any relation (legal or equitable) to the adventure, in consequence of which he benefits by the safety or due arrival of insurable property, or is prejudiced by loss or damage, or the detention thereof, or incurs any liability in respect thereto." It is also provided that "*wager policies*" are void. These two conditions, you will notice, are reproductions of the law as laid down in the Act of Parliament already referred to, which was passed about the same time as the formation of Lloyd's, i.e., about 125 years ago.

Another condition is that the assured *must disclose* to the assurer every material circumstance affecting the risk, i.e., any circumstance which would influence the judgment of a prudent insurer in fixing the premium or determining whether he would take the risk. If the assured fail to make such disclosure, the insurer may avoid the contract. For instance, if a man effected insurance on a ship which was lost, and which he alone knew was lost, the insurer could cancel the contract.

Assignment of the Policy.—A policy may be assigned to another party in the same manner as a B/L, i.e., either by special or blank endorsement. The almost invariable method of assignment, however, is by a blank endorsement.

The Parties to a Policy.—There are only two parties to a policy, viz.:—the *Insurer* or *Underwriter*, i.e., the party who undertakes the risk; and the *Insured*, i.e., the party protected by the insurance.

Details of the Policy.—According to the English law, it is necessary that a policy should specify:

(1) The name of the assured or his agent.
(2) The undertaking to insure.
(3) The subject matter insured.
(4) The voyage or period of time covered by the insurance.
(5) The sum or sums insured.
(6) The name or names of the insurers.

In addition to these particulars it is also usual to specify:

(7) The rate of premium paid or to be paid; and
(8) The conditions on which the insurance is undertaken.

These conditions are contained in what are called the "clauses of the policy." We will now consider the clauses in the policy before us. This is what is called a **valued policy,** because it specifies the value of the goods insured, and the maximum amount recoverable in case of loss. The other kinds of policies and the differences in wording will be dealt with later on.

The Clauses in the Policy.—The standing clauses in a policy are always printed, but these clauses may be varied by striking out such as are not required and inserting others either in writing or by gumming on to the policy a slip of paper on which the desired clauses are printed in small type. The following is a specimen of such a slip, which was attached to the policy in question, and contains some important clauses. Such added clauses override the printed clauses of the policy.

Warranted free from Particular Average unless the vessel or craft be stranded, sunk, or burnt, each craft or lighter being deemed a separate insurance.

Underwriters, nothwithstanding this warranty, to pay for any damage or loss caused by collison with any other ship or craft, and any special charge for warehouse rent, re-shipping, or forwarding, for which they would otherwise be liable. Also to pay the insured value of any package or packages which may be totally lost in transhipment.

It is agreed that the Vessel grounding between Port Said and Suez shall not cancel the warranty of F.P.A.

Including risk from packers until goods are on board ship.

Including all risk of transhipment from any of the Quays or Wharves at port of destination to the final landing place $\frac{\text{and}}{\text{or}}$ all other risks until delivered at Consignee's warehouse, or at the godown or warehouse where the Merchandise is intended to be stored or delivered. All risks insured by this Policy to attach while the Goods are on the Wharf previous to their being transhipped to their final landing place, provided they do not remain there for a longer period than ten days.

To pay General Average and Salvage Charges as per Foreign Statement if required, or York-Antwerp Rules if in accordance with contract of affreightment.

We will take the clauses in this policy seriatim.

Henderson & Co.—The name of the party insured, in other words, the assured.

As well in their own name, &c.—This is inserted in order that if the policy be assigned to another party, the assignee is duly covered.

Lost or not lost.—These words are inserted in case the policy be required to cover goods insured after the vessel has set sail. In such a case the underwriter takes the risk of their having been lost when the insurance is effected. If, however, the assured was aware that the goods were lost, but the insurer was not, the latter is not responsible.

At and from Liverpool to Bombay.—This means that the risk runs from the time the goods are put on board until they leave the ship at Bombay. If the words were merely *from Liverpool to Bombay*, it would mean that the risk commenced only on the ship's sailing from Liverpool. If after being shipped the goods were destroyed by fire while the ship was in dock in Liverpool, the sum insured could be recovered in the one case, but not in the other. Therefore, anyone insuring should be careful to see that these words "at and from" are inserted in the policy.

Including risk of craft, &c.—This is a clause that is not found in all policies. It is not in Lloyd's policy, but is generally inserted. It means that the insurers are liable to pay any loss that may occur while the goods are being conveyed from the shore to the steamer and *vice versa*. In Bombay, when a vessel discharges in the stream

instead of in dock, the lighterage of the goods is at certain times of the year the most dangerous part of the voyage. Sometimes the clause *from shore to shore* is inserted; this has the same effect as the clause just mentioned.

Shall be insured for.—It is usual to insert here the particulars of the goods insured as well as the amount.

Touching the Adventures and Perils which the said Insurance Society are content to bear, and to take upon them in this Voyage: they are of the Seas, Men-of-War, Fire, Enemies, Pirates, Rovers, Thieves, Jettisons; Letters of Mart and Counter Mart, Surprisals, Taking at Sea, Arrests, Restraints, and Detainments of all Kings, Princes, and People, of what Nation, Condition, or Quality soever. This is understood to mean that the Company undertakes the *risks of war*, but, as this risk would necessitate an extra premium, it is usual in times of peace to exclude this risk by the insertion of the following clause (see foot of policy):—

Warranted free from Capture, Seizure, or Detention, the consequences thereof, or of any attempt thereat, and from all consequences of hostilities or warlike operations, whether before or after declaration of war. (It is the insured who makes this warranty.) This clause is usually abbreviated by the initials F.C.S. In time of war the F.C.S. clause would, of course, be deleted and the extra premium paid.

Barratry of the Master and Marines.—The term "Barratry" includes every wrongful act committed by the master or crew with intent to defraud the owner or the charterer, as the case may be.

And it is expressly declared and agreed that no acts of the Insurer or Insured, in recovering, saving, or preserving the property insured, shall be considered as a waiver, or acceptance of abandonment. When goods are lost it is usual for the insured to give *notice of abandonment* to the underwriters, and this clause is inserted to protect the insured in case he should be able to recover any part of the goods. We will deal with this point more fully when explaining the meaning of "Total Loss."

CHAPTER XX

MARINE INSURANCE—*Continued*

Average.—Before dealing with the clause in the Policy, beginning "Corn, Fish, Salt," &c., it is necessary to explain the meaning of the word "average." In every day affairs we use the word to express the mean of two or more numbers, but it is not used in this sense in marine insurance matters. As used in marine policies the word has two meanings. It signifies (1) a contribution by the underwriters towards losses or expenses which have been incurred for the benefit of all the parties interested, and (2) a payment to be made by the underwriters for partial loss or damage sustained by the property insured. It will thus be seen that there are two kinds of average, viz.: (1) where *all* the parties are affected, (2) where only *some* of the parties are affected. The first of these two kinds is termed—

General Average.—This signifies that the owners of the ship and cargo *generally* are liable to make a *pro rata* contribution towards any losses sustained or expenses incurred where other property or part of the ship has been sacrificed for the general good and for the safety of the ship and cargo generally. For example, if a ship were in distress, from stress of weather or from liability to capture, &c., and the captain, in order to lighten her, were to throw overboard (or *jettison*, as it is termed) a portion of the cargo, or cut away the masts, cables, &c., the act would be for the general safety of the ship and the remainder of the cargo; therefore the owners of the ship and the various owners of the cargo (including that lost) would have to make a *general* contribution *pro rata* to cover the loss incurred.

The following example of general average and the mode of adjustment (based on a case which actually occurred) will perhaps explain the matter more clearly.

A small steamer ran ashore (or "stranded") on an island in the north of the Adriatic Sea, whilst on her way to Fiume *en route* to Trieste, and in order to be got off had to transfer her cargo into lighters. During this operation some of the cargo was lost and other portions damaged, and the steamer lost two anchors, several cables, and other gear. She was finally towed off by two Government steamers, and then put into the nearest port, where she took on board a quantity of ballast, in order to proceed to Trieste to be docked and repaired. In the meantime the cost of leaving the cargo

in lighters was found to be so great (owing to the number of lighters employed and the hire thereof) that another steamer was chartered to load the cargo and deliver it at Trieste.

The following is merely a summary of the "Average Statement" in this case, which, we may mention, covers over 160 foolscap pages and gives particulars of all the cargo and damage sustained, as well as the charges incurred and the apportionment of general and particular average between the various interests concerned. The actual details have been altered in several instances in order to make the matter intelligible to the general reader, this chapter not being written for insurance experts. The term "particular average" is explained further on.

Steamer "*Blanco*," London *to Naples, Fiume, and Trieste.*

STATEMENT OF GENERAL AVERAGE AND PARTICULAR AVERAGE OF THE VESSEL.

Losses.	General Average.	Particular Average.	Ship-owners.
Shipowner's Losses :	£	£	£
Charges for Steamer being towed off ...	500		
Services of divers, &c.	300		
Tackle, ropes, &c., lost, £90 less ⅓rd ...	60		
Cost of discharging cargo into lighters	100		
Cost of loading chartered steamer ...	70		
Hire of chartered steamer	250		
Charges of other steamers for assistance, harbour dues, warehouse rent, &c. ...	550		
Repairing cargo, &c.	40		
Proportion of wages and provisions of crew whilst vessel was ashore ...	80		
Services of officials in superintending operations, &c.	200		
Adjustment, preparing claims, &c. ...	150		
	2,300		
Cost of ballast, and loading and discharging same	...	10	
Docking, scraping, and repairing steamer	...	250	
⅓rd of value of tackle lost ("new for old")	...	30	
Cost of discharging chartered steamer's cargo	...	...	20
Coal and oil consumed whilst ashore ...	...	...	40
A's cargo lost	200		
B's ,, ,, ...	200		
C's ,, damaged	100		
D's ,, ,, ...	200		
Total of losses ...	£3,000	£290	£60

Contributory Values for General Average.

Value of ship	...£3,000		
Less cost of repairs	250		
		2,750	
Freight at risk		450	
			3,200
A's goods, net value delivered...		900	
,, ,, lost, invoice value		200	
			1,100
B's goods, net value delivered...		600	
,, ,, lost, invoice value		200	
			800
C's goods, net value delivered...		500	
,, ,, damaged, sound value		100	
			600
D's goods, net value delivered		1,200	
,, ,, damaged, sound value		200	
			1,400
E's goods (not damaged), invoice value ...			4,500
F's ,, ,, ,, ,, ...			3,400
G's ,, ,, ,, ,, ...			5,000
Total of contributory values ...			£20,000

The total general average losses, amounting to £3,000, are equal to 15 % on the value of the ship, freight, and cargo originally taken on board; therefore the general average payable by each party is 15 % on the value of his interest, thus:

Shipowner pays ...	£480	Shipowner receives	£2,300
A pays	165	A receives	200
B ,, ...	120	B ,, ...	200
C ,, ...	90	C ,, ...	100
D ,, ...	210	D ,, ...	200
E ,, ...	675		
F ,, ...	510		
G ,, ...	750		
	£3,000		£3,000

It will be noticed that the shipowner and A, B, C, and D have each to both pay and receive, the net amounts they receive being respectively £1,820, £35, £80, and £10, in all £1,945, which is equal to the amounts due from D, E, F, and G. The amounts paid would be claimed from the underwriters as general average. The amounts realised by the sale of the damaged portions would be paid to the underwriters.

The formalities which have to be observed by the captain of a vessel when his ship and cargo have suffered damage such as would constitute a claim on the underwriters are dealt with in the chapter on "Ships and Shipping."

Particular Average is a loss which is not a general average loss, and which falls exclusively on the owner or other person interested, giving him no right of contribution against other persons. For example, if, while being hoisted on board, a bale of goods were to slip from the ship's slings and fall into the sea, or if, during bad weather, the sea were to break into the ship's hold and damage a portion of the cargo, the loss thus incurred would have to be borne by the owner of the particular goods lost or damaged, or, if they were insured subject to particular average, by the underwriters.

When damaged goods are landed they are "made merchantable," if practicable, and then sold for what they will fetch. The amount realised is deducted from the sound value, the balance being recovered from the underwriters, if the goods were insured subject to particular average. An illustration of the mode of adjusting "particular average" is given on the following pages.

The term general average is generally abbreviated thus, G/A; particular average thus, P/A. When it is desired to cover particular average, the term generally used is *All Risks* or A/R, or sometimes W.A. (with average). When only general average is covered, this is indicated by the initials *f.p.a.*, i.e., "free of particular average," meaning that the underwriters are not liable for any claims for particular average.

Average Statement.—The statement showing the amounts payable or receivable by the different parties interested is called an Average Statement, and is prepared by a specially qualified person called an *average stater* or *average adjuster*. This statement is based on the surveyor's report as to the condition of the goods, and the invoices and other documents furnished by the interested parties.

The Average Statement is usually made out at a port near the scene of the accident. The method of adjustment varies somewhat in different countries; therefore, in order to avoid any difficulties on this score, it is usual to insert in the policy the words "*To pay general average as per foreign statement*" (abbreviated f.g.a., i.e., foreign general average), meaning that the underwriters will pay general average claims adjusted in accordance with the laws of the foreign country where the Average Statement is drawn up. "York-Antwerp Rules" refers to certain rules as to average, agreed to at a conference held at York, and revised at a later conference held at Antwerp.

Statement of Particular Average on Wool, sea damaged, per S.S. "*Nero*," bound from Bagdad to London.

Insured with the Marine Insurance Company, Policy No. 729,635, £598.

On SS 46 Bales Wool so valued. To pay average on each bale separately.

Damaged—
per Broker's Certificate, London, 22nd Sept., '98.

SS Nos. 68, 69, 74 — 3 Bales
75, 76 — 2 ,,
5 ,,
} Damaged by Sea water

Particular Average—

3 Bales

6 Bales Sound del'd gross per A/c. Sales			C. q. lbs. 19 0 12		
3 Bales should deliver			9 2 6		
did ,, ...			10 0 0		
Increase			0 1 22		
Sound Value—	C. q. lbs.				
Gross	10 0 0				
Less Increase	0 1 22				
	9 2 6				
Tare and Draft	0 2 11				
Net	8 3 23				
	= 1003 lbs.		@ 7½*d.*	£31 6 10	
Damaged produced—	C. q. lbs.				
Gross	10 0 0				
Tare and Draft	0 2 11				
Net	9 1 7				
	= 1053 lbs.		@ 6½*d.*	28 10 4	
Deterioration, *9·013* °/₀	Loss =			£2 15 6	
Insured Value—					
46 Bales, valued @ £598.					
3 Bales in propn., £39.					
£39 deteriorated 9·013 °/₀			...	...	£3 10 4
Particular Average—					
2 Bales Nos. 75, 76.			C. q. lbs.		
2 Bales should delr.			6 1 14		
did ,, ...			8 1 11		
Increase			1 3 25		
Sound Value—	C. q. lbs.				
Gross	8 1 11				
Less Increase	1 3 25				
	6 1 14				
Tare and Draft	0 1 16				
Net	5 3 26				
	= 670 lbs.		@ 7½*d.*	£20 18 9	
3 Bales. *Carried forward*			...	£20 18 9	£3 10 4

3 Bales.	*Brought forward*	...	£20 18 9	£3 10 4	
Damaged produced—	C. q. lbs.				
Gross	8 1 11				
Tare and Draft	0 1 18				
Net	7 3 21				
	= 889 lbs.	@ 1*d.*	£3 14 1		
	Loss ...		£17 4 8		
Deterioration 82·307 °/₀					
Insured Value—					
2 Bales, £26, Deteriorated		82·307 °/₀	...	£21 8 0	
5 Bales.	Broker's Survey and	Certificate	...	1 1 0	
				£25 19 4	

Our fee, £1 11s. 6d.

LLOYD'S, 10*th October*, 1898.

WM. EDWARDS,
JOHN W. LEACH,
Members of the Average Adjusters' Association.

Average Clauses in the Policy.—We are now in a position to explain the clause previously referred to, which reads as follows:—

Corn, fish, salt, saltpetre, fruit, flour, seeds, and all metals are warranted free from average; sugar, rice, tobacco, hemp, hides and skins are warranted free from average under five per cent.; and all other goods, also the ship and freight, are warranted free from average under three per cent., unless general, or the ship be stranded, sunk, or burnt. All liquids are warranted free from claims arising from leakage or breakage of the packages. (It will, of course, be understood that it is the *insurer*, not the underwriter, who makes this warranty.)

All the articles named in this clause are peculiarly susceptible of damage, either by sea water or by inherent causes. Therefore underwriters decline to insure corn, fish, salt, saltpetre, fruit, flour, seeds, or metals against particular average; and on sugar, rice, tobacco, hemp, flax, hides, and skins, will only pay particular average (even though insured against) when the damage amounts to not less than five per cent. of the insured value. On other goods, as well as on the ship and freight, the limit is three per cent.

It will be seen that under this clause a person might suffer a loss of some importance, and yet be unable to recover from the

underwriters. For example, a cargo of sugar, insured for £20,000, might be damaged to the extent of £950, which loss, being less than the stipulated five per cent., would be irrecoverable. In order to limit his liability for loss incurred in this manner, a merchant usually has inserted in his policies clauses such as the following:—

> "To pay average on every 50 bags, running landing numbers." (Sugar and coffee.)
>
> "To pay average on every ten bales, running landing numbers." (Raw cotton.)
>
> "To pay average on each package as if separately insured." (Piece goods.)

This, in effect, reduces the value on which the percentage is calculated, or in other words, increases the percentage. It often happens that the damage, whilst not amounting to the required percentage on the whole, reaches the limit on one or more series.

CHAPTER XXI

MARINE INSURANCE—*Continued*

Total Loss.—There are two kinds of total loss, viz.: (1) an actual total loss, i.e., where the subject matter insured is destroyed or irreparably damaged, or is totally lost and irrecoverable; and (2) a constructive total loss, as, for example, where a ship is so damaged that the cost of repairing the damage would exceed the value of the ship when repaired.

Abandonment.—When the insured has a claim for total loss he should without delay give notice thereof to the underwriters. This is usually done by a letter similar to the following:

> *"The steamer '————' being reported to have been wrecked at ———, we hereby give you notice that we abandon to you our interest in the undermentioned goods shipped by the said steamer, and we claim from you payment of total loss in respect of your insurance for £ —— on the goods in question."*

The underwriters will probably reply formally declining to accept the abandonment (in order to protect themselves in case the loss prove not to be a total loss), but the disclaimer does not affect their liability to pay the claim if the total loss can be legally established. In the meantime, the assured is at liberty under the policy to take steps to recover any portion of his property and sell it for the benefit of the parties concerned.

Re-insurance is a term used when an underwriter, in order to lessen his liability, insures with another party the whole or part of a risk he has undertaken. The re-insurance is effected on precisely the same terms as the original insurance, except that the premium may be either higher or lower. The policy usually states that the risk is a re-insurance.

Valued Policies.—We have already mentioned that the policy given on page 145 is called a *valued policy*, because the value of the goods insured is definitely stated, and there can therefore be no dispute as to the amount recoverable. There are, however, some other kinds of policies which must be mentioned.

Open Policies.—An open policy (sometimes termed a "floating" policy) is one in which the value is not declared, and in case of loss under such a policy the loss (whether partial or total) would have to be proved. The principal object in taking out an "open policy" is to cover goods which are in course of shipment, especially at a distant place, and which might possibly be lost before the complete declaration is made. The printed declaration and covering-note, as well as the policy itself, are the same as when the value is declared. The only difference is in the wording of some of the written portions, for example, instead of the name of the steamer the words "*Steamer or steamers, warranted to sail before 31st December, 1898,*" might be inserted, and in place of "5 Cases Worsted Goods, valued at £220," the words "*Five thousand pounds on manufactured goods to be hereafter declared and valued, to follow policy No.*_____," might be inserted.

Another clause which is usually inserted in these policies is what is known as the "*Continuation Clause,*" which runs thus: "In the event of declarations exceeding the amount open in this policy, it is hereby agreed to continue the same lines on the same terms for a like amount to follow."

Sometimes an open policy contains the "*Deviation Clause,*" which allows the vessel to deviate from the voyage specified, and still covers the insured at a premium to be arranged.

The following is a specimen of an "Open Policy":—

No. 1,089.

No. 536,055.

Be it known that *Dombey & Son,*

as well in their own Names, as for and in the Name and Names of all and every other Person or Persons, to whom the same doth, may, or shall appertain, in part or in All doth make Assurance and cause themselves, and them, and every of them to be insured, lost or not lost, at and from
the Mersey and/or *London, both or either, to any port or ports in Spain, inside the Straits of Gibraltar,* and/or *at and from thence by any inland conveyances to any place or places in the interior,*

£2,000 including all risks by any conveyances whatsoever from the time of leaving the Warehouse in the United Kingdom, until on board in craft to and from the Vessel or Vessels, of Lighters on the Rivers, or elsewhere, of Fire whilst waiting shipment in Docks, Warehouses, Hulks or elsewhere and/or in transit, of transhipment, of Steam Navigation, and all risks of every kind until safely delivered at the Warehouses of the Consignees, and including all liberties and exceptions as per Bills of Lading.

Upon any kind of Goods and Merchandises, and also upon the Body, Tackle, Apparel, Ordnance, Munition, Artillery, Boat, and other Furniture, of and in the good Ship or Vessel, called the

"Steamer or Steamers," warranted to sail on or before 1st June, 1899.

whereof is Master, under God, for this present voyage,
or whosoever else shall go for Master in the said Ship,
or by whatsoever other Name or Names the said Ship or the Master thereof is or shall be named or called, beginning the Adventure upon the said Goods and Merchandises from the loading thereof aboard the said Ship at as above
upon the said Ship, &c. and so
shall continue and endure, during her abode there, upon the said Ship, &c. And further, until the said Ship, with all her Ordnance, Tackle, Apparel, &c., and Goods and Merchandises whatsoever, shall be arrived at as above
upon the said Ship, &c., until she hath moored at Anchor Twenty-four Hours in good safety; and upon the Goods and Merchandises until the same be there discharged and safely landed. And it shall be lawful for the said Ship, &c., in this Voyage, to proceed and sail to and touch and stay at any Ports or Places whatsoever and whereso-ever for any purposes necessary or otherwise, with leave to tow and assist vessels in all situations without being deemed any deviation and

without prejudice to this Insurance. The said Ship, &c., Goods and Merchandises, &c., for so much as concerns the Assured, by Agreement between the Assured and the Assurers in this Policy, are and shall be valued at

On Merchandise as Interest may appear, or be hereafter declared.

Value to include Invoice Cost, Charges and *12½* per cent. advance thereon, *or in accordance with instructions received from Consignees.*

Average payable on each package separately, or as is customary, and General Average according to the Foreign Statement or York and Antwerp rules, 1890, as claimed

To follow and succeed Policy No. *534,053* for *£2,000,* dated *17th March, 1898.*

Deviations $\overset{\text{and}}{\text{or}}$ change of Voyage $\overset{\text{and}}{\text{or}}$ transhipments not included in this Policy, $\overset{\text{and}}{\text{or}}$ any inaccuracy in description of Voyage, interest, name of Vessel, clauses or conditions, to be held covered at a premium to be arranged.

It is hereby agreed that the declarations of Interest on this Policy shall attach in the order in which they are advised by the Assured, and in the event of Declarations exceeding the sum hereby insured, we agree to continue our respective Subscriptions on a Policy for a similar amount and at current rates, the latter clause alone excepted.

Touching the events and Perils which we the Assurers are contented to bear, and do take upon us in this Voyage: they are of the Seas, Men-of-War, Fire, Enemies, Pirates, Rovers, Thieves, Jettisons, Letters of Mart and Counter Mart, Surprisals, Takings at Sea,

Arrests, Restraints, and Detainments of all Kings, Princes, and People, of what Nation, Condition, or Quality soever: Barratry of the Master and Mariners, and of all other Perils, Losses, and Misfortunes, that have or shall come to the Hurt, Detriment, or Damage of the said Goods and Merchandises, and Ship, &c., or any Part thereof. And in case of any Loss or Misfortune it shall be lawful to the Assured, their Factors, Servants, and Assigns, to sue, labour, and travel for, in and about the Defence, Safeguard and Recovery of the said Goods, and Merchandises, and Ship, &c., or any Part thereof, without Prejudice to this Insurance; to the Charges whereof we the Assurers will contribute, each one according to the Rate and Quantity of his Sum herein Assured. And it is agreed by us the Insurers that this Writing or Policy of Assurance shall be of as much Force and Effect as the surest Writing or Policy of Assurance heretofore made in *Lombard Street*, or in the *Royal Exchange*, or elsewhere in *London*. And so we the Assurers are contented, and do hereby promise and bind ourselves, each one for his own Part, our Heirs, Executors, and Goods to the Assured, their Executors, Administrators, and Assigns, for the true Performance of the Premises, confessing ourselves paid the Consideration due unto us for this Assurance, by the Assured
at and after the Rate of

Six Shillings and Threepence per Cent.

In Witness *whereof we the Assurers have subscribed our Names and Sums assured in* London.

N.B.—Corn, Fish, Salt, Fruit, Flour, and Seed are warranted free from Average, unless general, or the Ship be stranded—Sugar, Tobacco, Hemp, Flax, Hides, and Skins are warranted free from Average, under Five Pounds per Cent.—and all other Goods, also the Ship and Freight, are warranted free from Average, under Three Pounds per Cent. unless general, or the Ship be Stranded, Sunk, or Burnt.

LONDON, 12th May, 1898.

Dr.

For Premium on £2,000 at 6/3 per Cent.	£6	5	0
Policy	£0	5	0
	£6	10	0
Less 10 °/₀ *on £5 18 9*	0	11	10
Errors Excepted	£5	18	2

£2,000 Insured at Lloyd's.

When the declarations against an open policy do not reach the amount insured the difference is called a "short interest," and the assured obtains a proportionate return of the premium.

Voyage and Time Policies.—These policies apply chiefly to risks on steamers or ships, not goods. A *voyage policy* simply covers a particular voyage; a *time policy* covers a certain specified time, which, however, cannot by law exceed twelve months.

Abbreviations.—The following are the abbreviations most frequently made use of in insurance matters :—

A.R.	meaning	All Risks.
C.C.	,,	Continuation clause.
Cont. H. & H.	,,	Any safe port on the continent between Havre and Hamburg (both inclusive).
D.C.	,,	Deviation clause.
F.C. & S.	,,	Free of capture and seizure.
F.G.A.	,,	Foreign general average.
F.P.A.	,,	Free of particular average.
G.A.	,,	General average.
O.P.	,,	Open policy.
P.A.	,,	Particular average.
R.I.	,,	Re-insurance.
T.L.	,,	Total loss.
U.K. or C.	,,	United Kingdom or Continent.
Y.A.R.	,,	York-Antwerp rules.

(For further and more detailed information respecting Marine Insurance, the reader cannot do better than refer to Gow's "Marine Insurance"—Macmillan 4/6.)

CHAPTER XXII

TRADE ROUTES

One of the most remarkable features of modern times is the great development in the means of communication between one country and another, and the enormously increased facilities for the transportation of goods. An increase in the facilities for communication generally means a decrease in the cost of carriage, and the cost of carriage in most cases determines the route by which goods are conveyed. The cheapest mode of conveyance is by water; the most expensive (in civilised countries) is by rail. For example, raw cotton can be brought by sea from Bombay to Liverpool—a distance of 6,600 miles—at about the same cost as would be incurred in conveying it by rail from Liverpool to Manchester—a distance of only 40 miles.

TRADE ROUTES IN THE UNITED KINGDOM.

Roads.—Within the United Kingdom itself there are four principal means of conveyance, viz., by road, by rail, by canal or river, and by sea, or partly by one of these and partly by another. The whole of England is intersected by many excellent roads, which are largely made use of for the conveyance of merchandise, but chiefly for local traffic. Most of the existing roads were constructed before the commencement of the present century; in fact, several of them were planned and constructed by those great road-makers the Romans. One of the oldest and most frequented of these roads was that known as the Great North Road, which ran from London, through York, right on to Edinburgh. Stage coaches for passengers and stage wagons and packhorses for merchandise were the chief means of transport. The stage coach was, of course, much the fastest of the three, yet up to the middle of the last century the journey by coach from London to Edinburgh, provided the weather were favourable, took a fortnight, and the coaches only ran once a month. Early in this century, owing to improved roads and better built coaches, the journey was accomplished in about forty-three hours. The advent of railways, about sixty years ago, gradually caused the disappearance of the stage coach, the pack horse, and the stage wagon.

Railways.—It is unnecessary to enter into details respecting the *Railways* of the United Kingdom. There are at present about 21,000 miles of railway open in the kingdom, and the paid-up capital of the different companies amounts to the enormous sum of nearly £1,000,000,000.

Canals have existed in this country for several centuries; in fact, even so far back as the reign of Henry I. (1121) we find records of legislation with reference to canals in Lincolnshire. But most of the canals now in existence were constructed about the end of the last century or the beginning of the present one. According to the latest returns, there are at present about 4,000 miles of canals in the United Kingdom, but 1,200 miles belong to the railway companies, who, to say the least, do not encourage canal traffic. The greatest, but not the longest, artificial waterway in England is the Manchester Ship Canal, which extends from near Liverpool to Manchester—a distance of 35½ miles. It is 172 feet wide and 26 feet deep, thus enabling ocean steamers of 6,000 tons register to proceed up the canal and discharge their cargoes at the Manchester docks.

Rivers.—Many of the British rivers are navigable for some miles from their mouths, and, in conjunction with the canals, are extensively used for the conveyance of merchandise.

The Sea itself around Britain is also largely made use of, coasting vessels carrying goods from one seaport to another; for instance, large quantities of wool are brought from London by sea to Hull and Goole and then forwarded to other parts of Yorkshire by rail or canal, and coal in large quantities is taken from Newcastle, Cardiff, and other ports to London and elsewhere.

TRADE ROUTES TO PLACES ABROAD

For our present purpose we take England as the central point of the routes we are about to describe. We do not intend to deal (except incidentally) with the routes between one foreign country and another. It will probably be convenient if we deal with these routes in accordance with the different branches into which our trade is divided, viz., the Baltic trade, the Mediterranean trade, the Eastern trade, and so on.

The Baltic Trade includes all the ports on the Baltic Sea. A glance at the map will show that four countries are interested in this trade, viz., *Sweden*, *Russia* (including Finland), *Germany*, and *Denmark*. Hull, Goole, Grimsby, London, Leith, and Newcastle are the ports from which steamers generally leave this country for the Baltic. The principal ports in the Baltic are *Abo* and *Helsingfors* (Finland), *Cronstadt*, *St. Petersburg*, *Riga*, *Libau* and *Memel* (in Russia), *Dantzic* (Germany), and *Stockholm* and *Gefle* (in Sweden). Most of these ports are frozen up for about five months of the year, and sea transit is, of course, stopped. Goods urgently required by Russia can then only go by rail through Germany, from Dantzic and Konigsberg generally. From the Russian ports in the Baltic we receive wheat, hemp, flax, isinglass, bristles, and deal and other kinds of wood. From the Norwegian and Swedish ports we receive chiefly iron, copper, and timber.

Until about three years ago, ships from the Baltic ports were obliged to come by way of the Kattegat and the Skagerrack, a dangerous stretch of sea, but now another route is available. This is by way of the Baltic Canal, or, as it is called by the Germans, in memory of the first German Emperor, the *Kaiser Wilhelm's Kanal*. This canal, which took nearly nine years to complete and cost nearly £9,250,000, is about sixty-two miles in length. It has been constructed chiefly with a view to military exigencies, but it is also of great commercial value, in that it not only shortens the route from London to the Baltic by 250 miles (total distance previously 900 miles), but enables ships to avoid the dangerous navigation of the Skagerrack and Kattegat, where some 300 to 400 shipwrecks have occurred annually. The western entrance to the canal is in the North Sea, at Brunsbuttel in the estuary of the Elbe, and the canal emerges into the Baltic at Kiel.

Internally **Russia** is well supplied with railways and waterways. For instance, on the Volga steamers run from Tver to Astrakan at the mouth of the river, in the Caspian Sea, a distance of 2,000 miles, but in the winter the waterways are frozen up for four or five months. Mention should also be made of the Great Siberian Railway, which when completed will connect St. Petersburg on the Baltic with Vladivostock in the Sea of Japan, a distance of 4,000 miles. A canal from Riga to the Black Sea is also in contemplation.

Communication in the interior of **Sweden** is mainly by railway, but steamboats run on the lakes and canals, while along the entire coast, a stretch of 1,600 miles, there is a good service of steamers.

Coming into the **North Sea,** the main ocean tracks are traversed by the Wilson line from Hull and London to *Christiana*, *Gothenburg*, and other ports. From the Norwegian ports in the North Sea we receive further supplies of timber, though the more northerly ports send us cured fish chiefly.

The most important port in the North Sea is *Hamburg*, whence we receive produce of all kinds. We do a large trade with Germany the goods going chiefly from Hull, Goole, Grimsby, and Harwich. The principal seaports for our trade with Germany are *Hamburg*, *Bremen* and *Stettin* (in Germany), *Antwerp* (in Belgium), and *Rotterdam* (in Holland). During the last ten years *Hamburg* has made enormous strides as a shipping port, the tonnage of the vessels going in and out being now said to exceed that of Liverpool, which was formally second only to London. *Hamburg* and *Bremen*, in addition to direct railway communication with every part of the Empire, also possess cheap water traffic up the Elbe to and beyond *Magdeburg*, thence by canal as far as Prague. *Antwerp* has direct communication by rail with the whole of Belgium, Holland, and Germany, while large vessels are able to proceed onward to Ghent and even beyond.

From *Rotterdam* steamers and barges ascend the Rhine as far as Mannheim and up the Maine to Frankfort, thus affording a cheap means of transporting bulky and heavy merchandise; grain, for instance, being carried from Rotterdam to Mannheim, a distance of 352 miles, or nearly twice the distance from Manchester to London, for about 3s. 2d. a ton, or about one-tenth of a penny per ton per mile. Boats run regularly between Rotterdam and Mannheim, and cover the distance in from three to four days. By this route bulky and imperishable goods are conveyed to **Switzerland,** being transhipped at Mannheim to the railway. Goods for Switzerland which are wanted quickly go by rail from Antwerp or Ghent.

From what we have just said it will be gathered that **Holland and Belgium** are to a great extent merely transit countries, the

ports named being the distributing centres. Considerable portions of the goods which we send to these ports are transported by water to their destination in various parts of north-west Europe, and the merchandise which we receive in exchange is likewise transported by water and rail from the place of origin to the side of the steamer which brings the goods to our shores. And it is the same with much of the merchandise which we receive from and send to France.

France has a magnificent system of canals, ascending and descending mountains and crossing and re-crossing in all directions In fact, on the Continent generally, rivers and canals are the great commercial highways, and vast sums of money have been spent in the construction and maintenance of these highways. Two striking instances of the elimination of distance resulting from the cheap cost of carriage on these waterways are given in a recent report by the British Consul at Rouen. He says :—

> In the heart of France there is an immense button manufactory, which sends out buttons on cards all over the world. The buttons are made of crushed feldspar. All forms of feldspar are to be found in abundance in the central mountains of France, at a distance of not more than ninety or one hundred miles from the manufactory. Yet all the feldspar out of which these French buttons are made comes from the mountains of Norway. It is carried in sea-going vessels to Rouen, and thence by canals to the centre of France. Owing to the cheapness of this water-carriage, Norway is nearer to the French manufactory than are the French mountains, only 100 miles distant.

This is the other instance :—

> In Alsace there is a considerable porcelain industry. The porcelain is made of Kaolin—a special kind of clay derived from the decomposition of granite. This mineral product is not a stranger to France. On the contrary, the famous Limousin pottery owes its existence to extensive deposits of Kaolin in the neighbourhood. To "protect" French Kaolin, there is an import duty on the foreign article. Yet in spite of this, the clay needed to make porcelain with in Alsace comes from English quarries in Cornwall and Poole. The reason is, again, the continuous waterway afforded by the system of canals radiating from Rouen. In point of distance it may be likened to the foreign imports required by Carlisle and Penzance reaching those places by canal from the port of London; and to show the difficulties surmounted, I might add that in some cases the canals have been carried over elevations greater than the Cotswold Hills at their highest point, or the Weaver Hills of Staffordshire, and equal to the Cornish mountains at the Peak of Rough Tor.

This cheap water carriage is no doubt an important factor in the keen competition which we now experience with Germany and the Continent generally.

We need not mention in detail the **Northern Ports of France.** *Calais* and *Dieppe* are used chiefly for passenger traffic from Dover, Folkestone, and Newhaven. From *St. Malo* we receive by way of Southampton large quantities of eggs and butter. *Boulogne*, *Dieppe*, and *Havre* are the principal commercial ports in the North of France, though *Dunkirk* is a rising port. From *Bordeaux* in the Bay of Biscay we receive wines. We ship from Liverpool and London to *Toulouse*. In the South of France, *Lyons* (noted for its silk manufactures) and *Marseilles* are the chief ports. Goods urgently required go overland by rail, from Boulogne chiefly.

There are numerous ports along the coasts of **Spain and Portugal,** to which our steamers (from Liverpool and London principally) run regularly. The principal ports to which we export our manufactured goods are *Bilbao*, *Santander*, *Seville*, *Malaga*, *Valencia*, and *Barcelona* in Spain, and *Lisbon* in Portugal. Our imports from these countries are chiefly wines and fruits. From Spain we also receive ores. Internally these countries are badly supplied with facilities for transport. The railway and the road are the only means of conveyance, and neither can be called first-class. Moreover, the railway charges are excessively high.

The **Mediterranean Trade** covers all the ports on the North and South shores of the Mediterranean (including the southern Spanish and French ports just mentioned), the Adriatic, and the Western coast of the Grecian archipelago. From *Messina* and *Palermo* (Sicily) we receive salt, sulphur, iron, and oil; from southern Italy, olive oil; from *Venice*, beads; and from *Patras* (Greece), dried fruit, oil, and sponges.

The **Black Sea Trade** includes all ports in that sea. The principal ones are *Odessa* and the *Azov* ports. From these and other ports on the north shore of the Black Sea we receive large supplies of wheat and other cereals. *Batoum* has recently become an important port owing to its large exports of mineral oils. Our manufactured goods go to Varna and Bourghas chiefly, though

Kustendji is a rising port. Liverpool is the port of departure. The **Danube Trade** (which speaks for itself) may, for our purpose, be included in the Black Sea trade. Steamers engaged in the Black Sea trade proceed homewards through the Bosphorus and Dardenelles into the Mediterranean, thence through the Straits of Gibraltar into the Atlantic, and home through the Bay of Biscay. The distance from Odessa to London is 3,410 miles; from Batoum it is 3,670.

The **Levant Trade** includes all the southern shores of Asia Minor and Syria. *Smyrna* for Asia Minor, and *Bairout* for Syria, are the most important ports. The chief exports are drugs, essences, fruits, and dyes, many of which are brought from Persia and Turkestan by caravans. From *Constantinople* we receive large quantities of mohair grown on the mountain slopes of Asia Minor.

Our trade with **Africa** may be divided into four branches, viz., the *North African* or Mediterranean, the *East African*, the *West African*, and the *Cape* trade. Of the first three, the Egyptian trade is all we need specially mention. From **Egypt** (Alexandria) we receive cotton—long-stapled and of good quality—and cereals chiefly. These come by way of the Mediterranean and the Straits of Gibraltar. The **Cape Trade** is at present by far the most important portion of our trade with Africa. The principal ports are *Port Elizabeth*, *Cape Town*, *East London*, and *Durban*. Produce is brought down to these ports by coasting steamers, and from the interior (including the Orange Free State and the Transvaal) by rail. The principal articles of export are mohair, wool, diamonds, gold, hides, and ostrich feathers. The imports are chiefly manufactured goods. The Castle Line and the Union Line run a regular service of steamers between Plymouth and Southampton and the Cape ports. After leaving England these steamers usually touch at some of the following places:—Lisbon, Madeira, the Canary Islands, St. Helena, and Ascension. Some of these are coaling stations. The distance from London to Cape Town is 6,244 miles, and the voyage takes from 17 to 20 days. A sailing vessel takes 60 days.

We cannot attempt to deal at all comprehensively with the internal means of communication in **Africa**. There are no canals except in Egypt. In Cape Colony, Natal, the Orange Free State,

and the South African Republic, the chief means of transport are the *railway* and the *road wagon*. In other parts of Africa *steamers* run up the rivers as far as practicable, and goods are then transported further into the interior either on the heads of native porters or by caravan. The *caravans*, which consist of from 60 to as many as 1,000 camels, are confined to the northern parts of Africa, the general direction of all the caravan routes being North and South. *Railways* are being constructed from various points on the East and West coasts, the most important of these, so far as British trade is concerned, being that now under construction by the British Government, from Mombasa to Lake Victoria Nyanza, a distance of 650 miles. The estimated cost of this railway is about £2,000,000 sterling. The journey will take about eight days, travelling by day only. At night the trains will put up at strongly guarded stations. The present cost of carriage (or porterage) is from £180 to £300 per ton: when the railway is finished the rate will be about £17. On Mr. Stanley's last expedition through Africa, he took with him a steamer in sections to be put together on Lake Nyanza, and the cost of transport from Mombasa amounted to no less a sum than £12,000. That instance will serve to show how enormously the cost of goods is increased by the time they reach the interior, and also what an impetus will be given to our trade with Africa when these railways are completed.

We now turn to the **Indian Trade.** This includes the whole of *India* and *Burma*. It may also be said to include *Afghanistan*, *Beloochistan*, *Cashmere*, and *Tibet*, as the Indian ports are the only outlets for produce from those countries. India, as you know, is almost as large as the whole of Europe, excluding Russia, and it possesses nearly as many climates. The produce exported from the different ports, therefore, varies in accordance with the latitude of the places where such produce is grown. The principal ports are *Bombay*, *Calcutta*, *Karachi*, *Madras*, *Colombo*, and *Rangoon*. The other ports in India are mainly coasting ports, produce being brought down from those ports to one or other of the large ports just named. From Bombay we receive large quantities of cotton, wheat, and oil and other seeds; from Calcutta jute, indigo, silk, and tea; from Karachi wheat; from Rangoon rice and teak; from Colombo tea and cinchona. The chief imports of India are cotton goods and yarns, coal, iron, copper, silver, and machinery.

Up to 1870 the trade route to India was round the Cape of Good Hope. Sailing vessels were the chief means of transport, and the voyage then took from three to four months. At that time a railway ran from Alexandria to Suez, and goods urgently required were sent by steamer to Alexandria, then by rail to Suez, and again by steamer to Bombay. This was then known as "the overland route" to India. The rate of freight was about 120s. per ton. This railway is still in operation. The opening of the Suez Canal in 1870 revolutionised our trade with India and the East generally, by permitting goods to be sent by steamer without involving transhipment, as was the case by the "overland route," and reducing the distance from England to India by fully two-fifths, e.g., the distance from London to Bombay by the Cape is 10,719 nautical miles; by the Suez Canal it is only 6,274 miles, or a saving of 4,445 miles. Steamboats had been previously employed in this trade, *viâ* the Cape, but only to a limited extent. Steam transport *viâ* the Cape was too expensive, the distances between the coaling stations being so great that cargoes had to be displaced by fuel. Even now there is an extensive trade with India by sailing vessels *viâ* the Cape: outward it is chiefly coal and heavy goods; homewards cotton and timber.

The route by steamer is through the Straits of Gibraltar, along the Mediterranean, through the Suez Canal, down the Red Sea, and across the Arabian Sea, to Karachi and Bombay, or into the Bay of Bengal for Madras and Calcutta. The principal coaling stations along the route are Gibraltar, Port Said, and Aden. The outward Indian mails are conveyed by rail across the continent (from Calais) to Brindisi, one of the most southerly ports of Italy, where they are taken on board the P. & O. steamer, and go direct to Bombay. Homewards this route is reversed. The voyage from London to Bombay occupies 23 to 27 days. The mails take about 16 days.

Internally, the chief means of communication in India are the railway and the bullock cart. There are many canals in India, but they have been constructed chiefly for irrigation purposes, and are not much used for traffic. The Ganges and the Indus are almost the only navigable rivers. On the West of India there are no rivers worth mentioning south of the Nerbudda. A long range of mountains stretches along this coast, consequently, the course of most of the rivers in India is eastwards or southwards. The railway is now the chief means of communication. About twenty years ago there

were only three lines of railway in working order—one from Bombay to Calcutta, another from Bombay northwards to Ahmedabad, and the other in a south-easterly direction to Madras. These railways were, of course, fed by traffic brought along the country roads in bullock carts. At that time, as soon as the rainy season set in (about the middle of June), business came practically to a standstill, because, as the roads became impassable, no goods could be brought from, or sent into, the interior. Now all that is altered. India is covered with a net-work of railways branching in all directions, and during the rainy season business is carried on much more largely than before. Many of these railways have been constructed by the Government of India for military objects chiefly, but they are, of course, largely made use of for goods traffic. As an instance of the value of railway communication, we may mention that during the Afghan war of 1878-9, when a railway was rapidly pushed across the desert to the mouth of the Bolan Pass, it was found that in a day of sixteen hours one train did the work which formerly took 2,500 camels a fortnight. Further north, goods are taken into Thibet, Afghanistan, Cashmere, and China by caravans. Coastwise, a large fleet of steamers and native sailing boats convey merchandise to and from all ports along the entire coast.

Before leaving India, we may mention two trades closely connected with the Indian trade, viz., the **Red Sea Trade** and the **Persian Gulf Trade.** The *Red Sea Trade* is of little importance, except for the supply of coal to our important coaling stations, Perim and Aden, and the transportation of pilgrims from India to Jeddah, *en route* to Mecca. The *Persian Gulf Trade* might be included under the head of our Indian Trade, as the trade is transacted mainly through India. The centres are Bushire and Bussora. Spices, dates, drugs, &c., are brought down from these ports from the interior by caravans, or the rivers, and manufactured goods taken back in exchange.

The **Straits Trade** means trade with the Straits Settlements. *Singapore* and *Penang* are the chief centres. The Straits Settlements trade being entirely free, no duties of any kind being imposed, the two places just named have become important distributing centres for the supply of manufactured articles to all the adjacent countries. The produce received in exchange, and exported to Europe, consists mainly of rice, teak, tin, hemp, sago, and spices.

The **China and Japan Trades** speak for themselves. The principal China ports are *Hong Kong*, *Shanghai*, *Canton*, and *Foochow*. In Japan, *Yokohama* and *Kobe* are the most important ports. In the interior of China there are no *roads* worth mentioning. Of course, roads of a kind do exist, but they are mostly in such a wretched condition as to be practically unusable. And over this enormous expanse of country there were until recently only about 200 miles of *railway* open. To make up for their deficiency in this respect, the Chinese have a magnificent system of waterways. The Empire is a vast network of rivers and canals, and these are the main channels of intercommunication between the provinces. *Canals* have existed in China from time immemorial, and at the time they were constructed were no doubt monumental works. At the present day, however, like everything else in China, they are falling into decay, and compare very unfavourably with those of other countries. The great arteries of commerce in China are the *rivers*, of which the principal is the Yang-tse-Kiang, which is navigable for some 2,000 miles. Steamers ply on this river between Shanghai and Ichang, a distance of 800 miles; but the chief medium of commerce in China is the native junk. The Chinese Government prohibited the use of steamers except in portions of one or two rivers, and they have hitherto impeded or prevented the construction of railways. The want of direct communication, and the abominable "likin" system, are the great obstacles to trade with China. The removal of these obstacles, or even the introduction of steamers and railways alone, would be an enormous benefit to our trade, and also to the Chinese themselves. There are signs that the Chinese are awaking out of their long lethargy, and it is not improbable that during the next decade our trade with China, large as it is, will advance with leaps and bounds.

Japan, although a much smaller country than China, possesses nearly 2,000 miles of railway, and has about 700 more under construction. Then again, unlike China, Japan has numerous excellent but narrow roads, which, however, are used chiefly for local traffic. Owing to the country being divided along its entire length by a continuous chain of mountains, there are no navigable rivers or canals of any importance. The traffic along the east coast is divided between the railways and the coasting vessels; on the west coast it is monopolised by the latter.

The trade with India, the Straits, China, and Japan, is comprised under the term *The Eastern Trade.*

Trade with Australia and New Zealand is known as our **Colonial Trade.** Australasia sends us chiefly wool, gold, copper, tinned and frozen meats, and fruits and wines, which we exchange for manufactured articles. Several British and Continental lines of steamers trade regularly between Europe and Australia, the principal British lines being the Peninsular and Oriental Steam Navigation Company (P. & O. Co.) and the Orient Line.

The *steamer route* to **Australia** is the same as to India as far as Aden. From there, however, instead of going across the Arabian Sea to Bombay, the steamer makes straight for Colombo, after which she touches nowhere until King George's Sound or Albany is reached. She then proceeds to Adelaide, Melbourne, and Sydney, which is the terminal point of the outward voyage—a distance of 12,500 miles from London, the average length of the voyage being 45 days. The trade route for *sailing vessels*, which are still largely employed in this trade, is outwards round the Cape of Good Hope, touching *en route* at Ascension or St. Helena. Homewards, however, the route is *viâ* Cape Horn, as the ships are thus enabled to take advantage of the westerly winds blowing in these regions.

Steamers and sailing vessels to *New Zealand* both make use of the Cape route outwards and the Cape Horn route homewards. The places touched at by steamers on this route after leaving England are usually Teneriffe, Capetown, Hobart, Auckland, and Wellington on the outward voyage, and the Falkland Islands, Rio de Janeiro, Teneriffe, and Plymouth on the homeward voyage. The distance from London to Auckland is 12,070 miles, and the voyage usually takes about 46 days. The rates of freight run from 30s. per ton for pig iron to 45s. or 50s. per measurement ton for dress goods.

Having now dealt with the principal trade routes of the Eastern Hemisphere we turn to those of the **Western Hemisphere.**

Trade with America is divided into two great divisions, viz.: the North American trade and the South American trade. These are subdivided into other trades as will be shown.

The North American Trade includes the whole of the Continent of North America, from the Isthmus of Panama upwards. The branches of this trade are the States trade, the Canadian trade, the Mexican trade, and the Central American trade and West Indian trade.

Our trade with **The United States** is considerably larger than our trade with any other country. Last year (1897) out of our total imports amounting to £451,500,000, produce to the value of £94,000,000—or more than one-fifth of the whole—came from the United States, being about £3,000,000 more than the value of our imports from the whole of our Colonies and Possessions abroad (£91,000,000) and almost exactly half of the entire exports of the United States. Our exports to the States are not of corresponding magnitude, but they are nevertheless larger than to any other country. Our total exports of British productions last year amounted to £234,000,000 of which £21,000,000, or 9 per cent., went to the United States.

For the transport of these enormous quantities of merchandise a large fleet of steamers is regularly employed; in fact, so numerous are the steamers of all kinds that cross the Atlantic that in order to avoid collisions those going outwards keep within certain defined limits north and south, while those coming homewards take another course. Liverpool, from its favourable situation on the west coast, is the chief point of arrival and departure in this country for these steamers, though the ports of Glasgow, London, Southampton, and Hull are also used. In the States the ports made use of depend upon the nature of the cargo, e.g.,

Portland (Maine), Boston ... ..., New York ..., Philadelphia ... — Send us grain, flour, apples, pork, lard, timber, and live cattle, as well as musical instruments (Boston chiefly). New York, Philadelphia, and Boston are the principal importing ports.

Charlestown, Savannah ..., Mobile ..., New Orleans, Galveston ... — Are the "cotton ports." Charlestown and Savannah also send us rice; and from Galveston we also receive tobacco, flour, grain, pork, &c.

St. Mary's, Darien ..., Pensacola . — Are the "pitch pine" ports.

Sailing vessels are also employed in the States trade, for carrying timber (lumber) chiefly. These take a different course from steamers on account of the prevailing winds.

On the West or **Pacific Sea-board** there are only two United States ports which need be specially mentioned—these are Portland (Oregon) and San Francisco. The trade with these ports is usually spoken of as the 'Frisco and Oregon trade, and is not included under the head of the United States trade. The exports are chiefly grain, carried in sailing vessels and steamers. Sailing vessels round Cape Horn, steamers shorten the voyage by coming through the Straits of Magellan.

In **Canada,** the principal ports on the Atlantic side are Quebec, Montreal, St. Johns, and Halifax. The exports are chiefly timber, fish, grain, and other food stuffs; and the imports are mainly finished articles. Quebec and Montreal, on the river St. Lawrence, are the principal ports. In the winter months, however, the river is frozen, and goods have then to go through the United States, from Boston or New York generally. Halifax and St. Johns are open in the winter, but these ports are too far removed from the producing centres.

The St. Lawrence is only navigable as far as Montreal, owing to the rapids, but in order to open up communication with the great lakes, canals with large locks have been constructed at various points along the river, so as to avoid these rapids, thus forming a continuous waterway from Port du Lac at the head of Lake Superior to the Straits of Belle Isle—a distance of 2,384 miles—and tapping the great timber forests of Ontario.

In addition to the lakes, rivers, and canals, Canada has about 16,000 miles of railway. One of these lines, viz., the Canadian Pacific Railway, deserves special mention, as it has opened up a new route to China, Japan, and Australasia. This line stretches from Montreal to Vancouver, 2,906 miles, and has brought Liverpool and Yokohama within 21 days of each other (10,770 miles). The Eastern route takes about 43 days. There is a regular service of steamers from Vancouver to Australia, New Zealand, and Japan.

It may be mentioned here that Vancouver and its adjacent port, Victoria, are the chief points of departure for the newly-discovered gold fields of Klondyke.

Before dealing with South America we should mention two other links, connecting the Atlantic with the Pacific. The first of these is the *Tehuantepec Railway* across Mexico, which is nearly

completed; the other is the *Panama Railway* now in operation. A glance at the map will show what an enormous saving in time there is between these routes and the old route round Cape Horn. The only drawback to these routes is that two transhipments are necessary for goods. Another route which we may see in operation if we live long enough is the *Nicaragua Canal*, 169½ miles long, which will ascend to the summit at Lake Nicaragua, 110 feet above sea level, by three deep locks. Another route, which we are not likely to see accomplished, is the *Panama Canal* (54 miles), in the construction of only a small part of which something like £25,000,000 sterling has been expended.

To **South America** steamers run chiefly from London, Liverpool, and Bristol, touching at Lisbon, the Azores, and Senegal. Monte Video or Buenos Ayres. Buenos Ayres is, as a rule, the limit of the voyage, though some steamers go as far as Valparaiso.

The principal ports on the **East Coast** are the sugar ports of Georgetown and Pernambuco, the tobacco port of Bahia, the coffee ports of Rio de Janeiro and Santos, and the general ports of Monte Video and Buenos Ayres, with Rosario up the River Plate. From Buenos Ayres large quantities of wool and grain are exported, being brought down from the interior of Argentina by the River Plate.

On the **West Coast** the principal ports are Valparaiso (Chili) —to which steamers run direct from Liverpool—Callao (Peru), and Guayaquil (Ecuador). A few steamers, perhaps one a week, load at ports on this coast direct for Europe through the Straits of Magellan, but the traffic is mostly carried on by coasting steamers trading between Valparaiso at the one end and Panama at the other. Here the steamers connect with the lines from San Francisco, and, across the Isthmus, with lines to New Orleans, New York, and the principal European ports.

In most parts of South America, goods going into the interior are conveyed by rail or river as far as practicable, and are then transported to their destination by pack horses or mules. The loads carried by these animals weigh from 150 to 220 lbs., in two packages, one on each side. If the packages are bulky, the weight is reduced in proportion. Travelling is very uncomfortable and very tedious, a journey of 200 miles, for instance, often occupying as much as 30 days.

CHAPTER XXIII

SHIPS AND CHARTERS

Previous to the reign of Queen Elizabeth, England was of but little account as a maritime nation. In that reign our mercantile marine first became considerable, and it gradually increased under the reigns of James I. and Charles I. At the Restoration (1603) the British shipping cleared outwards amounted to 95,266 tons; about ninety years later it amounted to 190,533 tons, and it has steadily increased until the present day. Last year out of a total of 39,308,276 tons of shipping cleared from British ports, British shipping amounted to 28,101,298 tons or 71 per cent. of the whole. In addition to this the tonnage of coasting vessels cleared amounted to 30,820,312 tons. Until about seventy years ago the whole of our foreign trade was done by means of sailing vessels, but the introduction of steam navigation gave an immense impetus to our carrying trade, and at the present time Great Britain possesses more than half the merchant service of the world, which means that half the over-sea commerce of the world is carried under the British flag.

The Ship's Papers.—Every British vessel usually carries on board certain documents, which are known as the "Ship's Papers." The papers which are usually found on board a British merchant vessel (i.e., a vessel carrying cargo, &c.) are: (1) The Certificate of Registry; (2) the Ship's Log; (3) the Ship's Articles; (4) the Crew List or Muster Roll; (5) the Bill of Health, when necessary; (6) the Bills of Lading; (7) the Manifest; (8) the Clearance Certificate; and, when the vessel has been chartered, (9) the Charter Party. In addition to these there is *sometimes* found (10) the Builder's Certificate or the Bill of Sale.

The Certificate of Registry is a document granted by the Registrar (the Collector of Customs) of the port where the vessel has been registered, and is the legal proof of her nationality. It usually specifies amongst other particulars the name and description of the vessel, her tonnage, the name of her master, and the names of the owners.

The Ship's Log is a book in which are recorded the vessel's daily progress, the winds and weather encountered, and other particulars respecting the vessel and voyage.

The Ship's Articles are the agreements signed by each seaman. They specify the man's rank on board, wages to be paid, term for which engaged, food to be provided, and other conditions.

The Crew List or Muster Roll contains the name, &c., of every person on board.

The Bill of Health is a certificate given by a Consul or other official at the port whence the vessel sailed, stating whether or not any infectious disease was prevalent at that place at the time of departure. The following is a specimen of this document :—

Bill of Health.

We, A.B., Esq., Her Britannic Majesty's Consul at_____ do hereby certify that the steamer called the "*Don Pedro*," of Liverpool, of 1,325 tons, commanded by *John Smith*, navigated by *thirty* men, and having on board *three* passengers, being in all *thirty-three* persons on board, leaves this port of_____in free pratique bound for *London*.

We further certify that good health is enjoyed in this town and the adjacent country, without any suspicion of plague or infectious distemper whatever.

In witness whereof, we have hereunto set our hand and seal of office at _____this 23rd day of August, 1898.

(Signature of Consul.)

The above would be called a *clean* Bill of Health; if cases of infectious disease were noted on the certificate, it would be called a *foul* Bill.

The Bills of Lading have been already described in the chapter on Exportation of Goods. The Bills of Lading here referred to are, of course, the "Captain's copies."

The Manifest is a list of the vessel's cargo. It specifies the marks, numbers, contents, and value of each package, or particulars of other cargo, and sometimes states the amount of freight payable at port of destination. It is usually signed by the master, or the ship broker or agent who clears the vessel at the Custom House. A specimen is given on the next page.

Manifest of Cargo shipped per Steamship *"Boswell"*

From *Bombay to Havre* Sailed *3rd April, 1898.*

No. of Bill of Lading.	Marks.	Numbers.	Packages.	Contents.	SHIPPER.	Consignee.	Weight. T.	C.	Q.	LBS.
1	*P J R*	1/500	500 *Bls.*	*Cotton*	*Harvey, Mitchell & Co.*	*Order*	45	3	-	-
2	*J C & Co.*	1/250	250 ,,	,,	,, ,, ,, ...	,,	22	12	-	-
3	*A W X*	1/1000	1000 *Bags*	*Wheat*	*Arthur Walker*	,,	75	-	-	-
4	*W C*	1/200	200 *Bls.*	*Cotton*	*Williams & Crossley*	,,	17	12	-	-
5	*G B C*	1/500	500 ,,	,,	*G. Billing & Co.*	,,	44	13	-	-
6	*B & P*	1/500	500 *Bags*	*Wheat*	*Brook & Peterson*	,,	37	10	-	-
7	*C R & C*	1/300	300 ,,	*Linseed*	*C. Rogers & Co.*	,,	30	-	-	-
			&c.		*&c.*	*&c.*				

I declare that this Manifest contains a true account of all the Goods exported in the above-named vessel.

John Stephenson,
Master.

The Builder's Certificate is *sometimes* found on board a vessel which has not changed hands since she was built. In the absence of the Certificate of Registry it might serve as proof of the vessel's nationality.

A *Bill of Sale* is a document in a prescribed form given by the seller to the buyer when a vessel changes owners. It is sometimes required to be produced—during a war, for instance—as further proof of ownership.

Of the papers above mentioned, only three come within the scope of Office Work, viz., the Charter Party, the Manifest, and the Bill of Lading. As we have already dealt with the two latter, we are now only concerned with the Charter Party.

A Charter Party is a document whereby the owner of a vessel agrees to allow a merchant or other trader to have the use of the vessel for the conveyance of merchandise, cattle, or passengers between certain specified ports or for a specified time. It is, in fact, the contract between the shipowner and the merchant, and embodies all the agreed upon conditions as to cargo, voyage, time for loading and discharging, rate of freight, &c. Every Charter Party executed in the United Kingdom requires a sixpenny stamp.

Here is a specimen of this document :—

Charter Party.

BOMBAY, 3rd February, 1898.

IT IS THIS DAY MUTUALLY AGREED BETWEEN *Samuel Johnson & Co. as Agents for John Dawson, Owner* of the good Steamship called the "*Boswell*" of the measurement of *2325* Tons Net Register, classed *100 A1* Lloyd's or equal thereto, now *lying at anchor at Singapore*
and *Harvey, Mitchell & Co.*, of *Bombay*, *Merchants and* Charterers, THAT the said Steamer being tight, staunch, and strong, and in every way fitted for the voyage, shall with all convenient speed, sail and proceed to *Bombay*, or so near thereunto as she may safely get, and there load, always afloat, from the said Affreighters, a full and complete cargo, consisting of *Lawful Merchandise*
which the said Affreighters bind themselves to ship, not exceeding what she can reasonably stow and carry over and above her Tackle, Apparel, Provisions, and Furniture; and being so loaded shall therewith proceed as ordered on signing Bills of Lading to

One safe port on the Continent, between Havre and Hamburg, both inclusive

or so near thereunto as she may safely get, and deliver the same, always afloat, on being paid Freight as follows :— *Thirty shillings per ton as per Bombay Tonnage Scale* being in full of all Port Charges and Pilotages as customary.

1.—The Freight to be paid at Port of Discharge on unloading and right delivery of the Cargo in Cash, *at current rate of exchange.*

2.—As much Cash as Master may require for ship's ordinary disbursements at Port of Loading, not exceeding £ *200* to be advanced (if required), subject to 3 per cent. for Interest and Insurance.

3.—*Fourteen working* days, Sundays and holidays excepted, are to be allowed the said Charterer (if Ship be not sooner despatched, Charterers having liberty to load up to midnight) for loading, and *ten* days on demurrage, over and above the said laying days at *four* pence per net register ton per day. Lay days to count 24 hours from Captain's written notice of readiness for loading. Charterers to have option of loading on Sundays and holidays, such days to count as lay days for time actually occupied.

4.—The Act of God, perils of the sea, fire on board, in hulk or craft, or on shore, barratry of the Master and Crew, enemies, pirates, and thieves, arrests and restraints of princes, rulers, and people, collisions, stranding, and other accidents of navigation, excepted, even when occasioned by negligence, default, or error in judgment of the Pilot, Master, Mariners, or other servants of the Shipowners.

5.—The Cargo to be brought to and taken from alongside the Ship at Charterer's risk and expense.

6.—The Captain to sign Bills of Lading as presented, if in accordance with Mate's receipts, and at any rate of Freight, without prejudice or reference to this Charter Party, if not at variance therewith, the owners having a lien on the Cargo for Freight, Dead Freight, and Demurrage. Should the total Freight shown by Bills of Lading amount to less than the Freight stipulated by this Charter, the difference to be paid to Captain before sailing, and should the Freight shown by Bills of Lading amount to more than the Freight stipulated by this Charter, the difference to be paid before sailing to Charterers by Captain's Draft on Owner's, payable 48 hours after arrival at discharging port.

7.—Steamer not answerable for leakage or breakage, unless occasioned by bad stowage of cargo.

8.—Lay days not to commence before the *19th March, 1898*, and should Steamer not arrive and be ready to load on or before *3rd April, 1898*, Charterers to have the option of cancelling this Charter.

9.—Any difference respecting the interpretation of this Charter to be settled in accordance with the custom of the port where it arises.

10.—*Five* per cent. Address Commission is payable to Charterers at port of Loading. Vessel to be addressed at ports of loading and discharge to Charterers or their Agents, paying the customary fees for transacting Steamer's business, and to employ Charterers' stevedores for loading and discharging at not exceeding customary rates. Charterers to have the use of Steamer's winches, Captain supplying necessary men and coals to work same.

11.—*5* per cent. Brokerage on the amount of Freight is due by the Ship on the signing hereof to *Samuel Johnson & Co.* ship lost or not lost.

12.—Penalty for non-performance of this Agreement, estimated amount of damages.

Witness to both Signatures,
Wm. Harrison,
Assistant to Messrs. Harvey, Mitchell & Co.

Samuel Johnson & Co.
as Agents for Owners
Harvey, Mitchell & Co.
Charterers.

The wording of these documents is not determined by law, and any agreement in writing clearly setting forth the terms of the contract would constitute a Charter Party. Many shipowners have their own form, just as others have their own forms of Bills of Lading, but one form of Charter Party differs very little from another, and the form just given is a fair example of these documents.

There are two principal forms of Charter, viz., **voyage charters** and **time charters.** In the former case, which is the most common, the ship is hired for a certain fixed voyage; in the latter case for a certain specified time.

The principal clauses in a Charter Party, when a ship is chartered for a fixed voyage, are practically the same as those in a Bill of Lading, viz., the parties to it, the ship, the voyage, the cargo, and

the freight, with an important addition, viz., that specifying the number of lay days. The person who hires the vessel is called the *Charterer.*

In a *time charter* the clauses relating to voyage and cargo would, of course, be omitted, and one inserted specifying the term for which the vessel is chartered.

A "register ton" is 100 cubic feet.

When a vessel is chartered abroad it is usually done through a ship-broker, who signs the Charter Party as agent for the owners; sometimes he signs "by telegraphic authority." When chartered through an agent, the agent's name is inserted in the body of the document, as agent for the owners.

The clause stating that the ship is "tight, staunch, and in every way fitted for the voyage," is called the "warranty," and implies that she is thoroughly seaworthy and fit for the voyage she is undertaking and the cargo she is to carry.

Sometimes (in fact, very frequently) the exact port at which the vessel is to discharge is not named in the Charter Party, and instead we find a clause such as this: "One safe port on the Continent between Havre and Hamburg, both inclusive." In this case the port is usually named before the vessel leaves the loading port, though sometimes she is directed to call at a certain port "for orders."

Sometimes a vessel is chartered to load a full cargo of a certain specified article of commerce, such as Wheat or Coals, and in such a case nothing else can be shipped. Usually, however, the cargo is described as "lawful merchandise," which means almost any kind of cargo except such as would be liable to damage the other cargo or the ship.

A Charterer is not obliged to fill the ship with his own goods; he may if he think fit sublet a portion or the whole of the vessel, or even transfer the Charter to someone else, unless prohibited by the terms of the Charter Party. He may also ship cargo for other persons at a higher or lower rate of freight than that specified in the Charter Party, but when this is done the total amount of freight stated on the Bill of Lading must equal the amount represented by the cargo, calculated at the Charter Party rate of

freight. A captain never refuses to sign a Bill of Lading at a higher rate of freight than that stipulated by the Charter Party, but he generally demurs to signing a Bill of Lading at a lower rate unless it is proved to him that when all the Bills of Lading are signed the total freight will average the Charter Party rate. When a ship has been sublet at a higher rate it is necessary to make out the final Bill of Lading at a very low rate; in fact, we have known some Bills of Lading filled up at 1s. per ton when the Charter Party rate was 25s. This is caused in this way :—

Supposing we have chartered a ship at 25s., and she carries 1,600 tons of cargo. This would be equal to a freight of £2,000. Supposing we have sub-let 500 tons at 26s. 3d., and 500 at 27s. 6d., and Bills of Lading have been signed for say

500	tons	@ 26s. 3d. =	£656	5s.	0d.
500	,,	@ 27s. 6d. =	£687	10s.	0d.
500	,,	@ 25s. 0d. =	£625	0s.	0d.
1,500	tons		£1,968	15s.	0d.

This leaves only £31 5s. 0d. for the remaining 100 tons, which is equal to 6s. 3d. per ton, so the remaining Bills of Lading would be made out for

100	tons @	6s. 3d. =	£31	5s.	0d.
1,600	tons		£2,000	0s.	0d.

When a chartered vessel is sublet, the clause "other conditions as per Charter Party" is generally inserted in the Bill of Lading.

Now we come to the important clause relating to **Lay-Days.** This means the time allowed to the charterer for either loading or unloading (sometimes it applies to both), but it usually means the number of days allowed for *loading*. These days usually begin to run 24 hours after the captain has given written notice to the charterer that the vessel is free of inward cargo, and is ready to load. These lay-days are sometimes described as *running days*, and sometimes as *working days*, and it is very important for a charterer to observe the difference. "Running days" are consecutive days without any break whatever, while "working days" are such as are usually devoted to work at the place where the vessel is loading. This would mean that Sundays, and days observed as public holidays, would not count as working lay-days.

In most Charter Parties it is stipulated that so many days on **demurrage** shall be allowed over and above the fixed number of lay-days, on payment of a fixed sum of so many pence per register ton per day. The total sum payable varies according to the size of the vessel, but for a *steamer* demurrage is usually reckoned at £20 or £25 per day. This is to compensate the owner for loss of wages, insurance, provisions, &c., while the vessel is delayed in her loading.

In some cases it is agreed that **despatch money** at so much per day shall be paid. This means that for every day saved in loading out of the number of lay-days specified in the Charter Party, the charterer is to receive a stated sum. The sum is usually £10 or £15 per day, but the amount, of course, depends upon the size of the vessel.

In certain cases, such as when a ship is chartered to carry "coals," instead of lay-days being fixed it is stipulated that so many tons per day shall be loaded or discharged. If the specified amount is not loaded or discharged, demurrage has to be paid.

The freight is usually reckoned at so much per ton, meaning a ton of 40 feet or 50 feet, as the case may be. Sometimes it is per ton weight for certain kinds of cargo, and sometimes (but very rarely) for a lump sum. If a vessel sails without having received a full cargo, i.e., if the charterer is unable to ship as much cargo as the vessel is able to take, freight has to be paid on the deficiency, just as if cargo had been shipped. This is called **dead freight.**

The freight is usually paid at the port of discharge, but frequently it is paid at the port where loaded. It depends upon the custom of the port. When paid abroad for goods shipped in England it is usually reckoned at "the current rate of exchange for sight bills on London." In a *time charter* the freight is usually agreed upon at so much per ton, per diem, or per calendar month, or a lump sum for the whole term.

A shipowner is bound to take proper care of the goods entrusted to him, and be responsible for losses incurred through defective stowage and thefts on board, but he is not responsible for loss or damage to the cargo by sea-water, storms, or perils of the sea generally, nor for loss owing to seizure by pirates or enemies. Nor is he responsible for damage by fire or for the consequences of the deviation from the proper course of his voyage when occasioned by

sea perils. These latter are underwriters' risks, and should be covered by insurance. For example, if a cask of brandy be broached on board by the sailors and the contents withdrawn, the shipowner would have to pay the value to the owner of the goods; but if the cask were stove in owing to a storm, and the contents ran to waste, the loss would have to be recovered from the underwriters.

The loading of the vessel and the stowage of the cargo is usually done by the crew, or by persons employed by the owner or captain of the vessel. Persons called **stevedores** make a special business of stowing cargoes, and employ gangs of men for the purpose.

A **Shipbroker** is an agent who transacts business connected with ships, such as negotiating charters, procuring cargo, buying and selling ships, procuring insurances on ships. He is paid by a commission on the business done.

A **Ship-chandler** is a person whose business consists of supplying ships with provisions, canvas, cordage, and other articles required.

CHAPTER XXIV

SHIPS AND CHARTERS—*continued*

Ship's Report.—This is the document referred to in the chapter on Importation of Goods. It has to be lodged with the Customs authorities (by the captain or other duly authorised officer), within 24 hours after arrival, and no goods can be landed, nor even bulk broken, until it is duly deposited with the Customs. A specimen is given below.

Report.

If Sailing Vessel or Steamer. } *Steamer* *No. 12798.*

Official Number: *21,209.*
Number of Register: *3,578.*

Port of *Liverpool.*

Date of Registry: *10th July, 1889.*

Ship's Name.	Tonnage.	British or Foreign; if British, Port of Registry; if Foreign, Country to which she belongs.	Number of Crew.		Name of Master, and whether a British or Foreign Subject.	Port or Place from whence arrived.
			British Seamen.	Foreign Seamen.		
Perdita	1355	*British, Liverpool*	30	3	*John Smith, British.*	*Trieste.*
		Total ...	30	3		

CARGO.

1	2	3	4	5	6	7
Name or Names of Places where laden in order of Time.	Marks.	Nos.	Packages and Descriptions of Goods, Particulars of Goods stowed loose, and General Denomination of Contents of each Package of Tobacco, Cigars, or Snuff intended to be imported at this Port.	Particulars of Packages and Goods (if any) for any other Port in the United Kingdom.	Goods (if any) to be transhipped or to remain on board for Exportation.	Name of Consignee.

Particulars to be stated according to the above headings, or if in Ballast, state "in Ballast only."

If any wreck fallen in with or picked up, to be stated.						

STORES.

Surplus stores remaining on board, viz.: *Quantities of Beer, Cigars, Coffee, Cocoa, Dried Fruit, Liqueurs, Spirits, Tea, Tobacco, Wine, &c.*

Number of alien passengers (if any) ... ... *None.*

Pilot's name ... ... *William Brown*

At what station ship lying ... ... *Morpeth Dock*

Agent's name and address ... ... *John Jones, 1359, Water St.*

I declare that the above is a just report of my ship and of her lading, and that the particulars therein inserted are true to the best of my knowledge, and that I have not broken bulk or delivered any goods out of my said ship since her departure from *Trieste*, the last foreign place of loading.

(Signed) *John Smith, Master.*

Signed and declared this *Seventh* day of *September*, 1898.

In presence of *Collector.*

The Freight Account is a statement somewhat similar to the Manifest, but with a column added in which is inserted the amount of freight due (or received) on each lot of goods, with the total of the whole given at the foot.

The Disbursement Account is a statement giving particulars of the sums disbursed (i.e., expended) on purchase of tackle, stores, provisions, &c., whilst the ship is lying in a foreign port.

Entry Outwards.—Before a vessel can commence loading, the master or agent must deliver to the Collector of Customs a certificate of the due clearance inwards of the ship, and must deliver therewith an entry outwards in the following form:—

ENTRY OUTWARDS.

Port of *Liverpool.*

Ship's Name, *Perdita.*

If British, Name of Port of her Registry.	If Foreign, Name of Country to which she belongs.	Tonnage.	Master's Name.	Port of Destination.
British, Liverpool.		1,335.	*John Smith.*	*Trieste*

Lying at *Morpeth* Dock or Station.

(Signed), *John Smith*

Master or Agent.

Date of Entry, *17th October, 1898.*

If ship shall have commenced her lading at any other port (name of such port).

Clearance Outwards.—When a vessel is completely loaded, the master must, before being allowed to sail, deliver a copy of the report inwards for any goods remaining on board, being part of her inward cargo intended to be re-exported, and must also deliver to the Customs authorities a "Content" made out in the following form :—

Master's Declaration and Stores Content for Vessels Outwards with Cargo.

Sailing Vessel Steam Vessel, *Perdita.*	Official No. 239,746 No. of Register, 574 Date of Registry, 12/2/93	Rotn. No.

Port of *Liverpool.*

Ship's Name and Destination.	Number of Tons.	If British, Port of Registry. If Foreign, the Country.	Number of Crew.	Name of Master.	With or without Passengers or Troops.
Perdita, Trieste.	1,335	*British, Liverpool.*	33	*John Smith.*	*Without.*

I, *John Smith,* Master of the above-named vessel, do declare that the particulars set forth above are true and correct, and that all the requirements of the Merchant Shipping Acts respecting outward-bound ships have been duly complied with.

I hereby nominate and appoint *Messrs. Brown & Green,* of *Liverpool,* to be and act as my Agents in all matters relating to the clearance of the said ship required of me in that respect by the Customs Acts, holding myself responsible for their acts in such matters. } To be struck out if not applicable.

Signed and declared this 17*th* day of *October,* 1898, in the presence of

Wm. Jepson,
pro Collector of Customs.

John Smith, *Master.*

Brokers *Brown & Green*

Address *723, Water St.*

Date of Clearance *17th Oct., 1898.*

(Signed) *Brown & Green,*
Agents for the Master.

Clearing Officer.

[The Stores Content (i.e., a list of all the dutiable articles on board) is to be given on the back of this form.]

When these formalities have been complied with, the documents handed to the Customs officials are fastened together, with a label attached and sealed thereto in the following form :—

(Seal)

Clearance Label.

Number of Certificates...	—
Ship	*Perdita*
Master	John Smith
Date of Clearance	17th October, 1898.
Signatures of Collector or other proper Officers of Customs	*J. C. W.*

and such label when filled up and signed by the proper officers is the "clearance" and authority for the departure of the ship.

When a ship, having cleared at one port, proceeds to take in goods at any other British port, the Master must, after due shipment of the goods at such other port, deliver to the Collector or other proper officer there an additional content of the goods so shipped, and so on from port to port. The additional certificates or other documents thus furnished are afterwards attached to the label used at the first port of departure and sealed in the same manner.

Coasting Trade.—This means all trade by sea from any one part of the United Kingdom to any other part thereof. Coasting vessels are not required to carry a Manifest of the cargo, but the master is compelled to keep a "Cargo book," stating the names of the ship, the master, the port to which she belongs, and the port to which she is bound, and at each port of lading he must enter in such book the name of the port and particulars of the cargo taken on board, and at each port of discharge he must note the days on which any such cargo is discharged, and the times of departure from the last loading port and arrival at the discharging port. Before a coasting vessel is allowed to depart from a loading port, the master must deposit with the Customs officials a *Transire* in duplicate, as shown on the next page, and this constitutes the clearance of the vessel. Foreign vessels engaged in the coasting trade are subject to the same regulations as British ships.

TRANSIRE (ORIGINAL).

Port of *London.* No.

Name of Ship.	Tonnage.	Port of Registry.	Master's Name.	Whither Bound.
Mary Ann.	512.	*Goole.*	*Jabez Horne.*	*Goole.*

Foreign Goods, distinguishing Warehoused Goods removed under Bond.	Quantities of Corn, Grain, Meal, Flour, or Malt.	Goods liable to Duty of Excise or entitled to Drawback thereof.	Quantities of Coke, Culm, Cinders, Patent Fuel or Coal, with description and place of origin.	Whether any or no other British Goods.
500 *Bales Wool.*	50 *Bags Flour*		Tons of Culm ,, Coke ,, Patent Fuel ,, Coal Description Colliery	*None.*

If carrying Passengers, to be here stated.

Last from *Goole.*

Vessel loading at *West India Dock.* With Cargo.

I, *Jabez Horne*, Master of the *Mary Anne*, do hereby declare the above particulars to be true, and that all the requirements of the Merchant Shipping Acts have been duly complied with.

Dated 29*th October*, 1898. *Jabez Horne*, Master.

Cleared out 29*th October*, 1898. *Wm. Williams* { Collector or Principal Officer.

This document is to accompany the vessel, and to be delivered at the port of unlading with the wharf or place of discharge endorsed on the back hereof.

CHAPTER XXV

SHIPS AND CHARTERS—*Continued*

Bottomry.—The owner of the vessel has a lien on the cargo for the freight due, and he has also the power in certain cases to raise money on the cargo. For instance, if owing to stress of weather or other causes the captain of a vessel is obliged to put into a port to repair damages, he is of course obliged to raise the necessary money. He may do this in three ways:

(1) By drawing and selling a draft on his owners;
(2) By raising money on (or in other words pledging) the ship itself or the ship, freight, and cargo; or
(3) By selling part of the cargo.

The first of these courses is the most usual, but if as frequently happens the captain is unable to sell his bill, he has recourse to the second operation, viz., pledging the ship. In this case he executes what is known as a *Bottomry Bond*, which is in reality a mortgage on the ship. The term is derived from the fact that the money is lent on the security of the *bottom* or *keel* of the ship, a part being used to represent the whole. Very frequently not only is the ship itself pledged but the freight as well, and sometimes the cargo in addition. Where the freight and cargo are included in the bond the document is technically called a *Respondentia bond*, but in common practice the term Bottomry is used for both operations. The money lent is paid back when the vessel reaches her destination.

Here is a specimen of the document.

Bottomry Bond.

Know all men by these presents, That I, William Mason, master of the ship or vessel, called the "Emma," belonging to John Griffiths, of Liverpool, am held and firmly bound unto Robert Bramwell, of Cape Town, in the country of Cape Colony, merchant, in the sum of Five hundred pounds, of lawful British money, to be paid to the said Robert Bramwell, or his certain attorney, executors, administrators, or assigns; for which payment, well and truly to be made, I bind myself, my heirs, executors, and administrators; and also the said ship or vessel, her tackle, apparel, and furniture, and the freight to be earned by her on her voyage after mentioned, firmly by these presents sealed with my seal. Dated the 19th day of July, one thousand eight hundred and ninety eight.

William Mason, master.

Whereas the said ship, or vessel, is lately arrived at Cape Town from Bombay, and having on her voyage to the port of Liverpool sustained damage, and being compelled to put into this port to repair and refit, she is now bound for and about to proceed to Liverpool aforesaid; and the said William Mason, in order to be enabled to pay for the necessary repairs of the said vessel, and her necessary and lawful disbursements and expenses, and to enable him to proceed with her on the said intended voyage, hath requested the said Robert Bramwell to lend and advance the sum of Five hundred pounds for the aforesaid purposes, which the said Robert Bramwell hath accordingly done, on the hazard and adventure of the said vessel on her said intended voyage from Cape Town to Liverpool, aforesaid; and the said master, William Mason, hath taken up the same on the hazard and adventure aforesaid.

Now, the condition of the above obligation is such, that if the said ship or vessel do and shall, with all reasonable and convenient speed, sail from the port of Cape Town, aforesaid, on the said intended voyage to Liverpool, and that without deviation (the perils, damages, accidents, and casualties of the sea and navigation excepted); and if the above bounded William Mason, his heirs, executors, administrators, or the owners of the said vessel, do and shall, within ten days after the said vessel shall arrive at Liverpool, aforesaid, well and truly pay, or cause to be paid unto the said Robert Bramwell, his agent, attorney, executors, administrators, or assigns, the said sum of Five hundred pounds of lawful sterling British money, together with ten pounds sterling per centum Bottomry premium thereon; or if on the said voyage the said vessel shall be utterly lost, cast away, or destroyed in consequence of fire, enemies, men-of-war, pirates, storms, or other the unavoidable perils, dangers, accidents, or casualties of the seas and navigation, to be sufficiently shown, or proved by the said William Mason, his executors or administrators, or by the owners of the said vessel, their executors or administrators, then the above-written bond, or obligation, to be void, otherwise to remain in full force and virtue.

Signed, sealed, and delivered by the said William Mason, in the presence of *Stephen Rogers*, solicitor, Cape Town. } *William Mason.*

There are some peculiarities about these documents which deserve notice. One is that if the vessel is lost before the money is repaid, the lender loses his money. Another is that if before the completion of the voyage the ship meets with further disaster, necessitating more money being raised on bottomry, the last bond takes priority, and is paid first, the holder of the first bond, if the shipowner is unable to meet it, having to be content with what is

left of the proceeds after the last bond has been paid. It will thus be seen that a person lending money on bottomry runs a very great risk of losing both principal and interest. Owing to these risks a heavy premium is usually demanded for the loan. Of course, the lender can insure his loan, just as freight and cargo can be insured, but owing to the exceptional nature of the risk a high rate of insurance has to be paid, and if it be desired to cover the risk of subsequent bottomries a still higher rate would have to be paid.

A bottomry bond is transferable by endorsement, and the usual course is for the lender of the money to endorse the bond to a person or firm at the port of destination, who collects the principal and interest. Should a bond in respondentia not be paid the holder has his remedy first against the ship, next against the freight, and lastly against the cargo. The proceedings have to be taken in a Court of Admiralty.

If a captain is unable either to sell his draft on the owners or to raise money on bottomry to repair damages, his only recourse is to sell a portion of the cargo. The premium paid on the bottomry bond and any loss incurred by sale of cargo in such circumstances constitutes a claim on the underwriters, as it comes under what is known as General Average.

Jettison.—Sometimes, in consequence of bad weather or other causes, a Captain is obliged to lighten his ship by throwing overboard a portion of the cargo. In such a case the cargo is said to be *jettisoned*, and the value is recoverable from the underwriters. Cargo is very rarely jettisoned.

Protest.—Whenever a Captain has to resort to this course, or even when the ship or cargo suffers any damage by sea or storms, he has to enter a full account of the matter in his log book, and at the first port he touches must within 24 hours after arrival note his *Protest* before a Notary, a Magistrate, or a Consul. In his Protest the Captain relates in detail the circumstances which led to the disaster, and gives particulars of the cargo jettisoned or damaged and the danger to the ship. It is an important document when claiming on the underwriters. The following is a specimen of the document :—

Ship's Protest.

By this public instrument of Protest, be it known and made manifest unto all people, that on this third day of August, in the year of our Lord, one thousand eight hundred and ninety-eight, personally came and appeared before me, G. H., Her Britannic Majesty's Consul at Trieste, A. B., master of the steamer or vessel the "Perdita" (belonging to Messrs. W. & Co., of Cardiff), C. D., mate, and E. F., seaman, of the said vessel, who did, severally, duly, and solemnly declare and state as follows: that is to say, during a gale of wind accompanied by heavy rain, the said steamer ran ashore on the Island of ———, at 11.30 o'clock on the night of Monday, 27th July last, and that in order to be got off the said steamer had to discharge a portion of her cargo into lighters, in consequence whereof certain cargo was lost or damaged, and on the same day this appearer, the said A. B., appeared at the office of me, the said Consul, and caused his protest to be duly noted. And these appearers do protest, and I, the said Consul, do also protest, against the aforesaid bad weather, gales, storms, accidents, and occurrences, and all loss or damage occasioned thereby.

We, A. B., C. D., and E. F., do solemnly and sincerely declare that the foregoing statement is correct, and contains a true account of the facts and circumstances, and we make this solemn declaration, conscientiously believing the same to be true, and by virtue of the provisions of an Act made and passed in the sixth year of the reign of His late Majesty, intituled, An Act to repeal an Act of the present Session of Parliament, intituled, An Act for the more effectual abolition of Oaths and Affirmations taken and made in various departments of the State, and to substitute declarations in lieu thereof, and for the more entire suppression of voluntary and extra-judicial Oaths and Affidavits, and to make other provisions for the abolition of unnecessary Oaths.

A. B.
C. D.
E. F.

Thus declared and protested in due form of law at Trieste, aforesaid, the day and year first before written.

Before me. G. H., Her Britannic Majesty's Consul.

(L. S.)

As the protest has to be lodged within 24 hours after arrival, it is a common practice for the captain to lodge a short document similar to the above briefly relating the circumstances. This is called *noting* a protest. Should it be found necessary, the full protest (giving all details) is drawn up later on. This is called *extending* the protest.

Survey Report.—In addition to making the protest the captain must have his ship and cargo surveyed, and particulars of damage certified. This is done by an official known as Lloyd's surveyor, or some other recognised surveyor at the port, who is usually a retired ship-captain; his certificate is called the *Survey Report*. The following is a specimen:—

LLOYD'S REGISTER OF BRITISH AND FOREIGN SHIPPING,
18*th August*, 1898.

Port of ———.

This is to certify that I, ———, the undersigned Surveyor to this Society, did, at the request of Messrs. ———, Agents for the Owners, survey the S.S. ———, of Cardiff, 1,527 tons, in order to ascertain the damage sustained (if any) by having been ashore on ——— island, and for particulars of the accident I beg to refer to the Log Book and Master's protest.

The 16th day of August I proceeded on board and found the vessel placed in the Austrian Lloyd Company's Dry Dock, and having carefully examined the Vessel's bottom I found no damage whatever, only the paint scratched here and there.

The bottom will be scraped and painted. Annexed is a list of gears reported lost and broken during salvage operations which will be renewed and replaced at home.

(Signed), ———
Lloyd's Surveyor.

Average Bond Agreement.—When a vessel or her cargo has suffered such damage as would necessitate a General Average contribution from the owners of the cargo, it is customary for the captain of the vessel to require the consignees to enter into an Average Bond Agreement, pending the adjustment of the General Average statement, which usually takes some time. This is an agreement between the captain of the vessel and the consignees under which the captain (who has a lien on the cargo) agrees to deliver the cargo to the consignees, on payment of the freight due thereon, in consideration of the consignees agreeing to furnish him with correct accounts of the value of the goods delivered and to pay to the captain or the owners of the vessel the amount of the General Average contribution due on such goods. In some cases the consignees agree to deposit in a bank, in the joint names of the Shipowners' and the Consignees' nominees, a deposit of so much per cent. on the value of the cargo, such deposits being held in trust for payment to the parties entitled thereto. The following is a specimen of this document:—

AVERAGE BOND AGREEMENT.

AN AGREEMENT made this Twentieth day of September, 1898, between John Groves, Master of the Ship or Vessel called the "Morning Star," and the several persons whose names or firms are set and subscribed hereto, being respectively consignees of cargo on board the said ship of the other part.

Whereas the said ship lately arrived in the port of Sydney, on a voyage from Liverpool, and it is alleged that during such voyage she met with bad weather, and sustained damage and loss, and that sacrifices were made and expenditure incurred which may form a charge on the cargo, or some part thereof, or be the subject of a general average contribution, but the same cannot be immediately ascertained, and in the meantime it is desirable that the cargo should be delivered. Now, therefore, these presents witness, and the said Master on his own behalf, and on behalf of his owners, in consideration of the agreement of the parties hereto of the second part, that he will deliver to them respectively their respective consignments, on payment of the freight payable on delivery, if any, and the said parties hereto of the second part in consideration of the said agreement of the said Master for themselves severally, and respectively, and not the one for the others of them, hereby agree with the said Master that they will pay to the said Master or the Owners of the said ship, the proper and respective proportion of any general average, or particular or other charges which may be chargeable upon their respective consignments, or to which the Shippers or Owners of such consignment may be liable in respect thereof to contribute to such damage, loss, sacrifice or expenditure, and the said parties hereto of the second part further promise and agree forthwith to furnish to the Captain or Owner of the said ship a correct account and particulars of the value of the goods delivered to them respectively, in order that any such general average and other charges may be ascertained and adjusted in the usual manner.

And whereas at the request of the Owner of the said ship the parties hereto of the second part have respectively deposited or agreed to deposit in the Bank of Sydney in the joint names of Stephen Rogers nominated on behalf of Shipowners and George Steel nominated on behalf of such Depositors the sum of £20 per cent., on the amount of the estimated value of their respective interests. Now it is hereby further agreed that the sums so deposited by the said parties respectively shall be held as security for and upon trust for the payment to the parties entitled thereto, of the general average and particular charges payable by the said parties hereto of the second part respectively as aforesaid, and subject thereto upon trust for the said depositors respectively.

In Witness:

JOSEPH SMITH.
JOHN BROWN.

JOHN GROVES, *Master.*
FOWLER BROS.,
A. GRANTHAM & Co.,
ROBERT JEVONS,
TEAKE, WOOD & Co.,
} *Consignees.*

CHAPTER XXVI

SHIPS AND CHARTERS—*Continued*

Freight Reports.—The following are a few specimens of freight market reports in which several phrases in reference to chartering are introduced. These phrases will be readily understood by reference to the list of abbreviations, &c., appended hereto.

TRANSPORT AND FREIGHTS.

UNITED KINGDOM.

Last month, with weak grain markets, there was a general collapse in homeward chartering. Tonnage has been rushed out across the Atlantic and through the Mediterranean, with an utter disregard of such a question as that of return employment, the result being that many owners of prompt vessels have been practically forced to accept the low rates offering homewards. However, within a few weeks the freight market should take an upward turn, as, for instance, there will be the new grain for shipment from the States, while the cotton season is also rapidly approaching.

Appended is our usual short list of fixtures:—**Cardiff** to Havre, 4s. 1½d.; Charente, 6f.; Piræus, 9s.; Marseilles, 10f. to 12½f.; Genoa, 7s. 7½d. to 10s. 3d.; Alexandria, 9s. to 9s. 9d.; Trincomalee, 17s.; Colombo, 12s. 6d. to 13s.; Rio, 17s. to 18s.; and River Plate, 17s. 9d. to 18s. 9d. **Glasgow** to Marseilles, 9s.; Naples, 9s. 9d. to 12s.; Port Said, 9s. 6d. to 10s. 6d.; Alexandria, 10s. to 11s.; Genoa, 8s. 4½d. to 11s. 11½d.; Cronstadt, 5s. 1½d. to 5s. 4½d.; Rio, 17s.; and Buenos Ayres, 18s. 6d. **Liverpool** to Chittagong, 10s. 9d. to 11s. 9d. sail; Calcutta, 11s. 9d. sail; Melbourne, 16s. 6d., option Adelaide, 17s. 6d., sail; Colon, 15s.; and Buenos Ayres, 18s. **London** to Cape Town, 16s. 3d. sail; Melbourne, 25s. sail; Mauritius, £950 (the barque *Craignair*); and Kinilind, 22s. 6d. **Newcastle** to London, 3s. 1½d. to 3s. 6d.; Havre, 4s. to 4s. 1½d.; Lisbon, 5s. 6d. to 6s. 9d. coal, 8s. 9d. coke; Barcelona, 10s. 3d. to 11s. coal, 12s. 9d. goods; Venice, 9s. 3d. to 11s. 9d. coal, 11s. 3d. coke; Savona, 9s. 6d. to 10s. 9d. coal, 11s. 3d. pig iron; Genoa, 7s. 6d. to 10s. 6d. coal, 9s. 6d. to 11s. coke; Civita Vecchia, 9s. 6d. to 11s. 3d.; Algiers, 8s. to 9s. 6d.; Gibraltar, 6s. 10½d. to 8s. 6d.; Port Said, 8s. 6d. to 10s. 6d.; Cronstadt, 4s. to 5s. coal, 6s. 6d. to 6s. 9d. coke; Stettin, 4s. 10½d. to 5s. 3d.; Swinemunde, 3s. 10d. to 4s. 9d.; Stockholm, 4s. 1½d. to 4s. 6d.; Hamburg, 4s. to 4s. 3d.; Cape Verdes, 9s. to 13s.; Cape Town, 19s.; Hong Kong, 25s.; and Rio, 16s. 6d. sail.

COLONIES.

Australasia.—On this market, Messrs. Weddel, Turner & Co. report:—"(**New South Wales.**)—*Sydney.*—For the London berth a spot ship secured 40s., while a backward one accepted 35s.; rates have since improved to 41s. 9d., with option of Boston, U.S.A., at 43s. 9d. *Newcastle.*—'Frisco firm at 20s. up to December loading. West Coast eased off a little, but is now steady at 17s. 6d. to 17s. 9d. Pisagua range, 16s. 3d. Coquimbo, option 15s. 3d. Iquique. Panama done at 20s., Acapulco 20s. Steamers fixed 17s. to 18s. Java, 23s. Macassar, 17s. Singapore. (**New Zealand.**)—A vessel of 1,400 register has been fixed from Calcutta to two ports and home to London at 50s. on d.w. A backward ship gets 27s. 6d. Auckland to London. (**Queensland.**)—Brisbane has taken a small ship for the London berth for September-October loading at 42s. 6d. on regs. (**South Australia.**)—A large vessel accepted 31s. 3d. for ore, Port Pirie to U.K.C., while a small ship secured wheat to South Africa at 26s. 3d. (**Victoria.**)—A spot ship has been fixed for wheat to Callao at 22s. 6d., with option of Europe at 30s., while 26s. has been paid for a small vessel to South Africa. London berth neglected."

Canada.—Deal ships have been in great demand, but, in consequence of excessive offerings of tonnage, rates have ruled in charterers' favour. Among business done may be mentioned:—St. John to W.C.U.K., 42s. 6d. to 52s. 6d.; Miramichi to Belfast, 48s.; Montreal to London, 40s. to 45s.; Quebec to Liverpool or Greenock, 75s. timber, 47s. 6d. deals, W.C.E., 70s. timber, 45s. deals; Campbeltown to W.C.E. or E.C.I., 46s. 3d. to 57s. 3d.; Cape Tormentine to U.K.C., 52s. 6d.; Pugwash to W.C.E., 52s. 6d.; and Sheet Harbour to Grimsby, 51s. 3d.

INDIA.

Eastern business has been very quiet after the spurt of the previous month. Scarcely anything has been done at **Bombay**, where quotations for p.p. sunk to as low as 18s. for June-July loading. In one case a vessel originally fixed at 30s. was re-let at 19s. **Burma** has taken steam tonnage at 30s. and 32s., o.c., while Rangoon to Mauritius has been done at 20s. **Calcutta** steam quotations to London have been chiefly nominal, and ranged between 25s. and 32s. 6d. for wheat, 27s. 6d. and 32s. 6d. linseed, 30s. and 37s. 6d. rape, and 27s. 6d. and 35s. for jute. New Zealand and home to U.K.C. was done at 47s. 6d. to 50s.; Hamburg, 30s.; Singapore, 6½r. to 7r.; Colombo, 6r.; Madras, 5½r. to 5½r.; Bombay, 6½r.; and Red Sea, 22s. From **Karachi** a little business has been effected at from 22s. to 26s. 3d. June, 19s. 6d. July.

FOREIGN COUNTRIES.

American Market.—Grain business has collapsed, berth rates from the Northern range to p.p. U.K.C. being quoted at 2s. 6d. to 3s. 3d.; on C.f.o. 2s. 10½d. to 3s. 6d.; and at the Gulf 13s. to 17s. 6d.

A fairly large amount of tonnage has been taken from the timber ports, Pensacola to U.K. making 102s. 6d. to 127s. 6d., Cont., 115s. to 130s.; Alexandria, 127s. 6d.; Pensacola or Mobile to U.K.C., 135s., Baltic, 140s.; Mobile to U.K.C., 122s. 6d. to 125s.; Pascagoula to Dordrecht, 130s.; Apalachicola to U.K., 120s., and Ship Island to Bordeaux, 45s. Phosphate charterers, too, have seized the opportunity of the abundance of tonnage to secure cheap room, from Fernandina to Stockholm at 20s.; Coosaw to Cork or Dublin, 17s.; Tampa to Antwerp, 17s. 6d. July-Aug.; 21s. 6d. June-July; and Port Royal to Londonderry, 15s. 6d. Case-oil has taken several boats from New York at 16c. to Calcutta, 23c. Hong Kong, and 25c. Shanghai. San Francisco and Tacoma have been dull and nominal. Portland (Or.) has booked forward tonnage at from 30s. to 37s. 6d. At the W.C.S.A. there has been a firm market, prices ruling at from 27s. to 31s. 6d., according to size and position; for guano a prompt ship secured 35s.

Baltic, &c.—Business is greatly restricted. Hernosand to Grimsby made 25s., West Hartlepool, 27s.; Haparanda and Lulea to Hull, 28s. 9d.; Pitea to Hull, 27s. 6d.; Archangel to London, 40s. d.b.; Soderhamn to Grimsby, 24s. 6d.; Norway to Adelaide, 57s. 6d., flooring boards; Riga to Tyne, 23s., d. and b., 24s. boards; Neder Kalix to London, 30s.; Sundswall to Hull, 26s.; East London, 75s.

Black Sea, &c.—This market has become quite demoralised, and latterly scarcely any business has been done. Berth rates from Odessa, Sulina, &c., ruled at 7s. to 11s., and on charter 7s. 6d to 11s. At the Azoff, too, chartering has been small at 9s. to 10s. 9d. berth, 9s. to 12s. 6d. charter; while the Danube has, perhaps, been even quieter at 8s. 6d. to 9s. 6d., charter 9s. 6d. to 10s. 6d.

Mediterranean, &c. — There is a brighter aspect in the Mediterranean market, and rates seem likely to improve. Fixtures included:—Elba to Rotterdam or Amsterdam, 7s. 9d. to 7s. 10½d.; Carthagena to Maryport, 9s. 1½d. to 9s. 6d.; Alexandria to Hull, 7s. 3d. to 8s. c.s., 1s. 6d. to 1s. 7½d. grain; Ergasteria to Rotterdam, 6s. 10d. to 7s. 4½d.; Maryport, 8s. 3d.; Aguilas to Middlesbro', 8s. 6d. to 8s. 7½d.; Benisaf to Rotterdam or Amsterdam, 7s. 3d.; Bona to Glasgow, 6s. 4½d.; Stratoni to Philadelphia, 9s. 6d. Rates at the Spanish ore ports were poor but steady, Bilbao to Middlesbro' making 5s. 10½d. to 6s.; Dunkirk, 5s. 9d. to 6s.; Rotterdam, 5s. 10½d. to 6s. 1½d.; Glasgow, 6s.; and Huelva to Rotterdam or Amsterdam, 8s. 9d.; Charleston, 11s.

River Plate, &c.—Continued bad weather in the Argentine, together with the fall of prices in the English grain markets, practically put a stop to business, although one or two up-river fixtures were recorded at 12s. to 15s. o.c., and from Buenos Ayres at 10s. For quebracho wood from Colastine to U.K.C. 18s. was paid.—*Imperial Institute Journal.*

Terms and Abbreviations used in reference to Freights and Charters.

Ballast	Water in tanks (water ballast), stones, &c., carried by a vessel (in the absence of cargo) in order to make her draw sufficient water.
Berth ship	Vessel loading and booking cargo.
Backward ship	To load some time ahead.
B/L	Bill of Lading.
Broken stowage	Articles (such as bones, &c.) used to fill up spaces between packages.
C/P	Charter Party.
C.f.o.	Vessel to call at Cork for orders as to destination.
Cont.	Continent.
d. and b.	Deals and Boards.
d.f.	Dead freight
d.w.	Dead weight.
Deal ship	Intended to load deals.
Dunnage	Mats and other articles used to protect the cargo.
E.C.I.	East Coast of Ireland.
'Frisco	San Francisco.
Fixed	Chartered.
Fixture	A vessel chartered.
f.o.w.	First open water (Baltic trade).
f.o.	For orders.
Handy vessel	A vessel of convenient size.
Liner	One of a line of steamers running regularly to and from a port.
o.c.	Open charter.
Option	Charterer to have option.
p.o.c.	Port of Call.
p.p.	Particular port (i.e., port named).
Prompt ship	Shortly ready to load.
regs.	Registered tonnage.
re-let	Freight or charter transferred to another party.
Ship on the berth	Ship ready to load and booking cargo.
Spot ship	Ship at the place of loading.
Tonnage	Space in a vessel.
U.K.	United Kingdom.
U.K.C.	United Kingdom or Continent.
U.K.C.H.H.	United Kingdom or Continent, Havre to Hamburg.
U.K.H.A.D.	United Kingdom, Havre, Antwerp, or Dunkirk.
U.S.A.	United States of America.
W.C.U.K.	West Coast of the United Kingdom.
W.C.E.	West Coast of England.
W.C.S.A.	West Coast of South America.

CHAPTER XXVII

TELEGRAPHING TO PLACES ABROAD

Just as the introduction of steam power revolutionised the method of transporting goods from one place to another, so the introduction of telegraphy has revolutionised the method of transacting business between places distant from each other. Prior to the invention of the electric telegraph, all orders and execution of orders, market intelligence, and other commercial matters, were necessarily transmitted by letter; now, wherever a telegraph wire or cable extends, the telegraph is the means of conveying such intelligence.

The method of telegraphing from one place to another in the United Kingdom has been already dealt with, and as we are now chiefly concerned with telegraphing to places abroad, we need not further refer to inland telegrams beyond remarking that telegraphic communication was first established throughout the United Kingdom in the year 1846.

The great success of the inland telegraphs led to efforts being made to establish telegraphic communication with foreign countries, by means of wires laid under the ocean. The first submarine telegraph was laid from Dover to Calais in 1850, but it worked for one day only. Later efforts, however, were successful, and on the 13th November, 1851, telegraphic communication was established between Paris and London.

Afterwards wires, or, as we now call them, *cables*, were laid between England and other points on the Continental coast, until eventually telegraphic communication was opened up with all parts of the Continent.

In 1858 a cable was laid between Valentia (Ireland) and Newfoundland, with a view to establishing telegraphic communication with the United States, but this broke down after a month's working, and it was not until 1866 that the two countries were connected by telegraph.

In the meantime a cable had been laid from Suez to Aden and from Aden to Bombay, thus establishing direct telegraphic communication with India. It may be interesting to mention that the first word transmitted through this cable was the word "peace"—probably part of a message signifying that peace had been concluded between North and South America.

Afterwards the cable was extended to Australia; and eventually all parts of the civilised world were similarly connected telegraphically with this country.

Principal Cable Companies.—It will be convenient to mention here some of the principal cables laid from the United Kingdom. It may be mentioned in passing that nearly all the submarine cables are owned by English Companies. France has a cable to New York, Denmark has one across the North Sea from Copenhagen to Edinburgh, Germany has one from Bremen to England, and the United States has two cables across the Atlantic and others to Mexico and South America, but nearly all the other cables belong to English Companies, whose headquarters are in London.

The most important Company, that is, the Company owning the greatest length of line, is the Eastern Telegraph Company, whose lines extend from London to Spain, Portugal, Malta, Alexandria, Suez, down the Red Sea to Aden, then across the Indian Ocean to Bombay and overland to Madras, where a fresh cable starts to Penang and Singapore. At Singapore the cable divides, one portion going to China, the other to Java and then on to Port Darwin in the extreme North of Australia, where it is connected with the overland telegraph lines to Adelaide, Melbourne, and other places in Australia, and then on by other cables to Tasmania and New Zealand. At Aden the Eastern Company unites with the South African Telegraph Company, thus connecting the United Kingdom with the East Coast of Africa, Zanzibar, Mozambique, Durban, and the Cape generally. The Company also owns the cable from Cape Town to Mossamedes and Loanda, where a junction is effected with the lines of the West African Company.

The next longest telegraph line starting from London is, perhaps, the Indo-European Company's. This is mostly overland. The line runs across the continent to Odessa, then along the North East coast of the Black Sea to Batoum, on to Teheran and Bushire, whence a cable is laid down the Persian Gulf to Bunder Abbas, and on to Karachi, &c.

The other principal cables are those starting from Valentia on the West Coast of Ireland to points on the North American coast.

Rates for Cabling.—In the British Postal Guide is a list of the rates for telegrams from the United Kingdom to any foreign country. It is not necessary to go through this list, but a few of the rates may be mentioned in order to give a general idea of the cost of telegraphing to places abroad. It should be noted that, whatever be the rate per word, in no case is a lower sum than 10d. accepted for a telegram (or cablegram) to any foreign country, or for a prepaid reply thereto :—

The principal rates for telegrams from the United Kingdom are :—

	Per word.
To France, Holland, Belgium, and Germany ...	2d.
,, Austria, Italy, Switzerland, Algeria, and Tunis	3d.
,, Denmark and Norway, Gibraltar and Portugal	3½d.
,, Roumania and Sweden	4d.
,, Bulgaria	4½d.
,, Russia	5½d.
,, Turkey	6½d.
,, Canada	1/-
,, United States (New York and Boston)	1/-
,, ,, ,, (other places)	1/2 to 1/6
,, India	3/8 & 4/-
,, Cape of Good Hope	5/- to 5/2
,, Australia	4/7 to 5/1
,, China	5/6 to 5/9
,, Japan	6/2 to 7/9
,, Brass	7/10
,, Corea	10/5
,, Ecuador	11/3
,, Columbia	12/-

Difference in Time between Countries.—Before dealing with Code Telegraphy there is one other point which must be mentioned in connection with Foreign Telegrams, and that is the difference in time between Great Britain and other countries. If you knew nothing of this matter you would be considerably perplexed in getting to your office some morning at, say, 9 o'clock to find awaiting you a telegram dated say Bombay 12 noon the same day, that is to say, without allowing any time for transmission you would have apparently received the telegram three hours before it had been despatched. This is accounted for by the difference in time between this country and India. This requires a few words of explanation.

The sun is popularly said to rise in the east and travel from east to west. As a matter of fact, however, the sun does not "travel" at all. It is a fixed body, as you know. The *earth* revolves on its axis and successively brings different lengths (or what we might term longitudinal lines) of the earth's surface directly opposite the sun. It is then said to be midday at all the places along that line. When the sun is shining full on Bombay it is 12 o'clock noon. The earth revolves at the rate of 1 degree in every four minutes, and as Bombay is about 73 degrees east of Greenwich it takes 4 hours 51 minutes before Greenwich is placed directly opposite the sun.

The difference in time between London and Eastern places is therefore caused by the length of time it takes for the earth to partially revolve so as to place the meridian of Greenwich in the same position relatively to the sun as was the place of origin of the telegram when it was despatched. For the same reason the time at places to the *West* of Greenwich is later than London, e.g., when it is 12 o'clock noon at Greenwich it is 7.4 a.m. at New York. Places *East* of Greenwich are said to be so many hours and minutes *fast* of Greenwich; places west are said to be so much *slow* of Greenwich.

On the following page is a table showing the differences in time between Greenwich and most of the Foreign Capitals and British Possessions, beginning with the places farthest East, and concluding with those farthest West :—

When at Greenwich it is 12 o'clock noon, it is at

The Fiji Islands	...	11.53	night	Berlin	...	12.54	afternoon
Wellington (New Zealand)	...	11.38	,,	Copenhagen	...	12.50	,,
Christchurch	do.	11.32	,,	Venice	...	12.50	,,
Dunedin	do.	11.22	,,	Berne (Switzerland)		12.49	,,
Brisbane (Queensland)		10.13	,,	Rome	...	12.49	,,
Sydney (N.S.W.)	...	10. 5	,,	Munich	...	12.46	,,
Hobart (Tasmania)	...	9.50	,,	Christiana (Sweden)		12.43	,,
Melbourne (Victoria)		9.40	,,	Hamburg	...	12.39	,,
New Guinea	...	9.34	,,	Frankfort	...	12.34	,,
Tokio (Japan)	...	9.18	,,	Marseilles	...	12.21	,,
Adelaide (S. Australia)		9.14	,,	Amsterdam	...	12.20	,,
Nagasaki (Japan)	...	8.40	,,	Brussels	...	12.17	,,
Shanghai (China)	...	8. 5	evening	Antwerp	...	12.17	,,
Manilla	...	8. 3	,,	Algiers	...	12.11	,,
Amoy (China)	...	7.52	,,	Paris	...	12. 9	,,
Pekin	do. ...	7.46	,,	Barcelona	...	12. 8	,,
British North Borneo		7.39	,,	Madrid	...	11.45	morning
Perth (W. Australia)		7.44	,,	Gibraltar	...	11.39	,,
Hong Kong (China)		7.36	,,	St. Helena	...	11.38	,,
Canton (China)	...	7.33	,,	Dublin	...	11.35	,,
Singapore	...	6.55	,,	Lisbon	...	11.24	,,
Penang	...	6.42	,,	Sierra Leone	...	11. 7	,,
Calcutta	...	5.53	afternoon	Rio de Janeiro	...	9. 8	,,
Madras	...	5.21	,,	St. Johns (Newfoundl'd)		8.29	,,
Colombo	...	5.13	,,	Monte Video	...	8.15	,,
Bombay	...	4.51	,,	Buenos Ayres	...	8. 7	,,
Mauritius	...	3.50	,,	British Guiana	...	8. 7	,,
Seychelles Islands	...	3.42	,,	Trinidad	...	7.54	,,
Aden	...	3. 0	,,	Falkland Islands	...	7.52	,,
Zanzibar	...	2.37	,,	Bermuda	...	7.41	,,
Moscow	...	2.30	,,	St. Johns (N.B.)	...	7.36	,,
Jerusalem	...	2.21	,,	Boston (U.S.A.)	...	7.16	,,
Suez	...	2.10	,,	Valparaiso (Chili)	...	7.14	,,
Cairo	...	2. 5	,,	Quebec	...	7.15	,,
Odessa	...	2. 2	,,	Montreal	...	7. 6	,,
Natal	...	2. 2	,,	New York (U.S.A.)		7. 4	,,
St. Petersburg	...	2. 1	,,	Philadelphia	...	6.59	,,
Alexandria	...	1.59	,,	Jamaica	...	6.56	,,
Constantinople	...	1.56	,,	Windward Islands	...	6.53	,,
Bucharest	...	1.44	,,	Lima (Peru)	...	6.52	,,
Athens	...	1.34	,,	Washington (U.S.A.)		6.52	,,
Buda Pesth	...	1.16	,,	Bahamas	...	6.51	,,
Cape Town	...	1.13	,,	Havana (Cuba)	...	6.31	,,
Stockholm	...	1.12	,,	Chicago (U.S.A.)	...	6.10	,,
Vienna	...	1. 6	,,	British Honduras	...	6. 7	,,
Malta	...	12.58	,,	New Orleans (U.S.A.)		6. 0	,,
Naples	...	12.57	,,	Mexico	...	5.24	,,
Dresden	...	12.56	,,	San Francisco	...	3.52	,,
Trieste	...	12.55	,,	Hawaii	...	1.29	,,

The dividing line is longitude 180°. Places lying close together, but on different sides of that imaginary line, differ nominally by a whole day in the time.

Despatching Foreign Telegrams.—Special forms are provided for foreign telegrams: one form for telegrams to be transmitted by North American cables; another form for other foreign and colonial telegrams. Telegrams written on forms supplied by the cable companies are also accepted at post offices.

In London, and a few provincial towns where the cable companies have offices, foreign telegrams may be handed in at those offices, but in the provinces generally, all foreign telegrams must be handed in at a post office. Even when written on the proper form, however, and handed in, the sender's difficulties are not over. You will find, in referring to the table of rates for foreign telegrams in the British Postal Guide, that there are two or more cables to most places. For instance, to Spain there are four routes; to India, three; and to the United States, five; and the difficulty is to determine by which company to send the telegram, for, as a rule, the rates are the same. The post office officials will not give you any information on the point; they will tell you the names of the companies having cables to the country to which you wish to telegraph, but nothing more; they say they are are forbidden to recommend any particular line, or even to say which they think is the best. If you do not know the best route, which, of course, means the *quickest*, you will have to ascertain it elsewhere, or else choose one, and take your chance of having selected the best. Of course, firms who regularly telegraph to one country or another have no difficulty of this kind, as soon as they find out which is the best line.

In telegraphing to *India*, we have a choice of three routes, viz., the Eastern Company, the Indo-European Company, and the line *viâ* Turkey. To *Australia*, we have the same three routes. To the *United States* and other parts of North America, there are five cables, viz., the Anglo-American Company, the Direct United States Company, the Paris and New York Company, the Western Union Company, and the Commercial Company. All these companies charge the same rate per word.

By the regulations of the International Telegraph Convention, which govern all foreign telegraphic business, foreign telegrams are divided into two kinds, viz., telegrams in plain language, and telegrams in secret language. Those in *plain language* are composed

of words, figures, and letters conveying an intelligible meaning. Those in *secret language* are sub-divided into two classes, viz., (1) preconcerted language or code, and (2) cypher.

There are two so-called systems, viz., the European system, and the extra-European system. The *European system* includes the whole of Europe and Morocco, Tripoli, Tunis, Turkey in Asia, and the Turkish Islands, and certain places on the West Coast of Africa. All other places are included under the *extra-European system.*

Code Messages.—Telegrams in preconcerted language, or code, are composed of words the context of which has no intelligible meaning to the uninitiated. The following, for example, would be a "code" message:—"*Reasonable, firefly, centipede, crocodile.*"

Proper names (other than those appearing in the "Official Vocabulary for Telegrams in Preconcerted Language," published by the International Telegraph Office at Berne) are not allowed in the text of the telegram, except in their natural sense. This includes both personal and geographical names.

Words of more than ten letters are charged extra in either the European or the extra-European system in code messages. Any additional letters (above ten) are charged for at the rate of ten letters to the word. For example, each of the following words contain more than ten letters:—

Abbreviated, competition, obliteration, destination,

therefore each such word, if used in a foreign code telegram, would be charged for as two words, each word being counted separately.

Only English, French, German, Italian, Spanish, Portuguese, Dutch, and Latin words may be employed; but words of any or all of these languages are allowed in the same telegram.

Cypher Telegrams are those containing groups of figures having a secret meaning. Telegrams consisting of groups of letters are not accepted, but groups of letters denoting trade marks are allowed in the midst of plain or preconcerted language, and are then charged for as figures. This means that a cryptogram (i.e., a word

or words composed of certain letters substituted for other letters of the alphabet, e.g., *y z x* for *b a d*) would not be allowed, but that groups of figures representing words, for example—

459, 237, 839, 763, 521, 376

would be allowed.

Telegrams in Plain Language.—In telegrams written in plain language the length allowed for a word is fifteen letters. Any additional letters are charged for at the rate of fifteen letters to the word. Five figures count as one word.

Foreign Telegrams generally.—Subject to the above limit, ordinary compound words and names of towns, countries, places, family names, names of streets, squares, &c., and names of ships, written without break, are counted as single words. If joined by a hyphen or separated by an apostrophe, they are counted as so many separate words. Compound numbers written in words and without break are also counted as single words, subject to the same limit as to the number of letters (thus: *twentysix*). The name of the office, county, province, and country of destination in the addresses of telegrams are each charged for as one word, whatever their length (thus: *Philadelphia*, *Newyork*).

Words incorrectly spelled, so as to reduce the number of letters below the maximum, or incorrectly joined together, contrary to the usage of the language, are inadmissible; and if the sender of a telegram from a place abroad improperly joins together English words for the purpose of reducing the charge, the amount undercharged is collected from the addressee, e.g., *sellem* instead of "sell them."

Every separate letter or figure is charged for as a word. Figures in groups, or letters (denoting commercial marks) in groups, are counted at the rate of five to a word, plus one word for any excess. Bars of division, decimal points, and stops used in the formation of numbers are counted as figures. Letters added to figures to form ordinal numbers are counted as figures.

The address must be paid for, and must in no case consist of less than two words; the first designating the receiver, the second indicating the name of the terminal telegraph office, as

"Hercules, Bombay." An address of this kind should, however, be registered at the office of destination.

Sometimes a pre-arranged code-word, meaning "this is the last word," is put at the end of all telegrams despatched from this country (by a bank, for instance), with a view to preventing fraudulent additions to the message.

It is necessary to remember that code or cypher messages cannot be sent to all countries. They will not be accepted for Bulgaria, Montenegro, Roumania, Servia, Turkey, and a few other such countries.

Inland telegrams (i.e., telegrams confined to the limits of the United Kingdom) are generally, owing to their comparative cheapness, drawn up in plain language, i.e., in language which can be understood by any person into whose hands the telegram might happen to fall.

For foreign telegrams, however, one or two words more or less in the telegram makes a considerable difference to the cost, as you will readily understand when you remember that, in some cases, the charge for such telegrams is as much as twelve shillings for each word telegraphed.

CHAPTER XXVIII

TELEGRAPH CODES

The heavy cost of telegraphing to places abroad, especially to countries such as India, China, and Australia, where the rates are comparatively high, has caused merchants to devise ingenious arrangements with a view to telegraphing the maximum amount of information by the minimum number of words.

These ingenious arrangements are what are known as "Codes." Every large merchant has his own "code," specially adapted for his own business. These codes have been built up gradually, and improved from time to time so as to minimise the number of words required to be telegraphed. Owing to the keen competition in business nowadays, and the narrowing down of profits, each merchant tries to keep the cost of telegraphing as low as possible. Therefore, any merchant who can devise a code by means of which he can conduct his telegraphic correspondence in fewer words than his competitors has a "pull" over those competitors. This is especially important in the Eastern trade, where business is transacted almost entirely by telegraph.

In addition to these private codes there are a number of printed codes, adapted for special trades or businesses such as Bankers, Shipowners, Shipbrokers, Wheat and Flour Merchants, &c. Some of these printed codes, such as the A1 and A B C Codes, are adapted, or may with some slight alterations or additions be adapted, to most businesses not of a special character. These printed codes are usually arranged alphabetically. In private codes the arrangement is generally by subjects.

In preparing foreign telegrams from a private code it is necessary, therefore, to have the contents of the code at one's finger ends, so as to know exactly where to look for the sentence or information one wishes to send. The translating of a telegram, however, is a much more simple matter, except when the code is a complicated one, as all one has to do as a rule is to look in the code for the word telegraphed and write the sentence attached. Both the preparation and the "translating" of foreign telegrams is generally

done by the principals of the firm, or by experienced assistants—it does not form part of the ordinary routine of office work.

Despite the fact that the rules of the International Telegraph Convention admit of the words of eight languages being made use of, only about 320,000 words can be safely used for code purposes, firstly because for extra-European messages no code word can be employed which contains more than ten letters, and secondly because of the large number of words which have to be rejected owing to similarity and the consequent liability of a word being "mutilated," as it is called, i.e., one letter being substituted for another and therefore conveying a wrong meaning. Practically only words containing not fewer than seven letters and not more than ten are available.

From what we have already said it will be gathered that there are two kinds of codes, viz., Word Codes and Figure Codes. Many codes are combinations of both words and figures.

Word Codes.—We begin with the Word Code, as it is the simpler of the two. In this kind of code a word stands for each sentence, price, numeral, &c., to be telegraphed. Of course, the sentences, prices, numerals, &c., have all to be arranged before-hand and the code words allotted to them, and both the sender and the receiver of the telegram must possess a copy of the code.

We will begin by arranging a small code for, say, a merchant engaged in the East India trade. In this trade, business is done by telegraph almost exclusively. It will, of course, be understood that this is only a very small portion of the code.

The following example shows how this code would be used :—

> Telegram received from W. Stephens & Co., Calcutta (registered telegraphic address :—"Hercules, Calcutta"), by Brown & Co., Manchester (registered address :—"Menelaus, Manchester") :—
>
> "Abattoir, balustrade, captivate, eagerness, garnet."
>
> meaning "Buy 25 bales 45 in. grey shirtings, 15 × 12, 9 lb., at Rs. 3·14 c.f. & i. Calcutta, shipment as soon as possible, gold heading."

In such a code, provision would also have to be made for sterling prices, and for shipment in any month.

No. 1.—Word Code.

Code Word.	*Meaning.*
abandon ...	Buy 10 bales (of 50 pieces each understood).
abasement ...	,, 20 ,, ,, ,,
abbatoir ...	,, 25 ,, ,, ,,
abbess ...	,, 30 ,, ,, ,,
abbreviate ...	,, 40 ,, ,, ,,
abeyance ...	,, 50 ,, ,, ,,
babbling ...	35 in. Grey Shirtings, 12 × 12. 6½ lbs.
bacteria ...	,, ,, 14 × 12. 7 ,,
badinage ...	,, ,, 16 × 14. 8¼ ,,
balcony ...	38 in. ,, 16 × 15. 8¼ ,,
ballet ...	,, ,, 15 × 12. 8¼ ,,
balustrade ...	45 in. ,, 15 × 12. 9 ,,
bandages ...	,, ,, 16 × 15. 9 ,,
barbarism ...	38 in. ,, 18 × 16. 10 ,,
barrister ...	,, ,, 17½ × 17. 10 ,,
cabinet ...	Rs. 3·4 c.f.i., Calcutta (Price per piece understood.)
calendar ...	,, 3·6 ,,
camera ...	,, 3·8 ,,
candidate ...	,, 3·10 ,,
capacious ...	,, 3·12 ,,
captivate ...	,, 3·14 ,,
cardinal ...	,, 4·0 ,,
caricature ...	,, 4·3 ,,
carnation ...	,, 4·6 ,,
carpenter ...	,, 4·9 ,,
cartouche ...	,, 4·12 ,,
cascade ...	,, 5·0 ,,
catalogue ...	,, 5·3 ,,
cataract ...	,, 5·6 ,,
catechism ...	,, 5·8 ,,
eagerness ...	Shipment soon as possible.
economy ...	October shipment.
effective ...	November ,,
egregious ...	December ,,
elastic ...	January ,,
elucidate ...	February ,,
emanation ...	March ,,
embankment	April ,,
embossed ...	May ,,
factotum ...	Have executed your order.
faintness ...	Order impracticable, raise limit 1 anna.
famished ...	,, ,, ,, ,, 2 annas.
fanciful ...	,, ,, ,, ,, 3 annas.
fantastic ...	Raise limit 1 anna.
fascinate ...	,, ,, 2 annas.
fastidious ...	,, ,, 3 annas.
garnet ...	Gold heading.
general ...	Coloured heading.

The preceding is a very simple code; in fact, no firm with any experience of code telegraphy would use such a code.

A shorter way of arranging this code would be as follows:—

No. 2.—Word Code.

Grey Shirtings.	Buy 10 Bales.	Buy 20 Bales.	Buy 25 Bales,	Buy 30 Bales.
lbs.				
35 in., 12 × 12, 6½...	abase	abnormal	academy	adage
,, 14 × 12, 7 ...	abbacy	abolish	accelerate	adaptable
,, 16 × 14, 8¼...	abdicate	abound	accent	addition
38 in., 16 × 15, 8¼...	abditory	abrasion	acceptable	address
,, 15 × 12, 8¼...	abducent	abridge	accessible	adhere
45 in., 15 × 12, 9 ...	abduct	abrupt	accident	adipose
,, 16 × 15, 9 ...	aberrant	absence	accolade	adjourn
38 in., 18 × 16, 10 ...	abhor	absolute	accompany	adjutant
,, 17½ × 17, 10 ...	abide	absolve	accord	administer

c.f. & i. Calcutta.	Shipment soon as possible.	February Shipment.	March Shipment.	April Shipment.
Rs. 3·4	beard	bellow	bewilder	blazing
3·6	bearing	bemire	bewitch	bleeding
3·8	beast	bench	beyond	blemish
3·10	beating	beneath	bickering	blinding
3.12	beckon	benefit	bicycle	blocked
3·14	becoming	benign	bigamy	blunt
4·0	beetle	benison	bijou	bluster
4·3	beggar	benumb	bilious	boating
4·6	begone	bequest	billiards	bodkin
4·9	behalf	beside	billion	bogus
4·12	behind	bestow	binding	boiling
5·0	behoof	betoken	biology	bombard
5·3	belated	betray	birch	bondage
5·6	belfry	between	bishop	bonnet
5·9	belief	beverage	bitter	bookcase
5·8	belle	beware	blade	bookseller

The remaining portion of the code would be as before—"factotum" to "general."

By means of this code the telegram of five words on the preceding page could be compressed into three words, thus:—"Accident, becoming, garnet."

Both this and the previous code may be extended indefinitely. In a real code provision would have to be made for all kinds of goods shipped, for a large range of prices and terms of shipment, and for a variety of other information.

Figure Codes are not quite so simple as Word Codes, but they present no difficulty when the arrangement, or sequence, of the figures is understood. The principle consists of taking a number of phrases which experience has taught us are frequently required, and assigning a numeral, or two or more numerals, to each. These numerals are afterwards placed in consecutive order so as to form groups of five figures or more, and are telegraphed in groups of five figures, or in words (taken from a Code Book) representing each group of five figures. Until a short time ago only three figures were allowed to pass as one word in extra-European telegrams, and words representing the figures were then almost invariably used, but since the limit for figures has been increased to five, telegrams are sent in both words and figures. The safer plan, however, is to use words, as any mutilation is then more easily discovered.

On the following pages are two specimens of Figure Codes. The first is an adaptation of the Word Code on the previous page. By taking the figures 33, 05, 4, from this code, and combining them into a group of five figures, thus :

33054

it will be seen that the telegram which required five words in Code No. 1, and three words in Code No. 2, could be telegraphed in this way as *one* word.

The second Figure Code is used in the same way. Thus, the numerals 2, 07, 04 (combined into 20704) would mean "Steamer 'Cicero' not arrived yet, charter cancelled."

These examples show the great saving to be effected by the use of Figure Codes as compared with Word Codes.

Of course, the codes here given are merely short examples, but they suffice to explain the general principles on which Telegraph Codes are formed, and will enable any intelligent person to construct therefrom a Code adapted to his own requirements.

In an extended code it would be necessary to use three, or perhaps four, figures for the first section; three or four figures for the second section; and two or three figures for the third section. Ten numerals (i.e., two groups of five each) would then be required. By this means almost any kind of order could be telegraphed in two words.

No. 3.—Figure Code.

Grey Shirtings.	Buy 10 Bales.	Buy 20 Bales.	Buy 25 Bales.	Buy 30 Bales.
lbs.				
35 in., 12 × 12 ... 6½	10	19	28	37
,, 14 × 12 ... 7	11	20	29	38
,, 16 × 14 ... 8½	12	21	30	39
38 in., 16 × 15 ... 8½	13	22	31	40
,, 15 × 12 ... 8¼	14	23	32	41
45 in., 15 × 12 ... 9	15	24	33	42
,, 16 × 15 ... 9	16	25	34	43
38 in., 18 16 ... 10	17	26	35	44
,, 17½ × 17 ... 10	18	27	36	45

c. f. & i., Calcutta.	Shipment soon as possible.	February Shipment.	March Shipment.	April Shipment.
Rs. 3·4	01	15	29	43
3·6	02	16	30	44
3·8	03	17	31	45
3·10	04	18	32	46
3·14	05	19	33	47
4·0	06	20	34	48
4·3	07	21	35	49
4·6	08	22	36	50
4·9	09	23	37	51
4·12	10	24	38	52
5·0	11	25	39	53
5·3	12	26	40	54
5·6	13	27	41	55
5·8	14	28	42	56

	Gold heading.	Coloured heading.
If impracticable, send firm offer...	0	5
,, ,, discretion 1 anna	1	6
,, ,, ,, 1½ ,, ...	2	7
Our usual stamp	3	8
	4	9

No. 4.—Figure Code.

The following is another example of a figure code.

We will suppose, in this case, that a shipowner wishes to arrange a code for telegraphing information about his ships. We will say he has ten ships. He might arrange his code thus, beginning with the names of the ships :—

First figure.	0	Agamemnon.
	1	Bellona.
	2	Cicero.
	3	Dido.
	4	Eurydice.
	5	Hercules.
	6	Jason.
	7	Lucretia.
	8	Minerva.
	9	Venus.

The second and third figures could be utilised for giving information about the arrival or departure of the ship, by means of a hundred phrases, thus :—

2nd and 3rd figures.	00	Arrived here yesterday.
	01	,, ,, to-day.
	02	Arrived, received orders, and proceeded.
	03	Arrived, docked, and discharging.
	04	Expected to arrive to-morrow.
	05	,, ,, ,, in a few days.
	06	,, ,, ,, next week.
	07	Not arrived yet.
	08	Has broken down, and cannot now arrive by time fixed.

And so on up to 99.

The fourth and fifth figures could be used to convey other information by means of another hundred phrases, such as :—

4th and 5th figures.	00	Are you open to fix her ?
	01	We offer firm.
	02	,, ,, ,, subject to reply to-morrow.
	03	Send best offer you can.
	04	Charter cancelled.
	05	Fixed for Adriatic ports.
	06	,, ,, Havre and Hamburg.
	07	Wire instructions.
	08	See following word in ABC code.

And so on up to 99.

CHAPTER XXIX

THE METRIC SYSTEM OF WEIGHTS AND MEASURES

The "*Metric System*" derives its name from the fact that it is based on the "metre"—a French measure of length, equal to about 39⅓ inches.

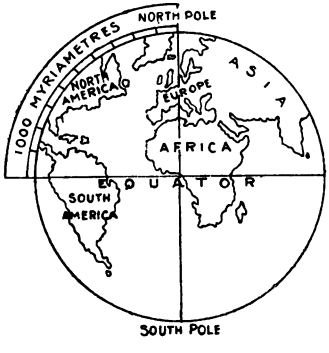
It has nothing to do with the *gas meter*, yet strange to say the gas meter is the only instrument in popular use in which decimal measures, which are those used in the metric system, are employed. Thus, the following diagrams mean that the meter registers 31,100 feet.

The metric system is sometimes called the "Decimal System" because the multiples and sub-multiples proceed by tenths of the unit—the word "decimal" being derived from a Latin word signifying the numeral ten. The term "Decimal System," however, does not necessarily mean the metric system. The gas meter already mentioned has a decimal system for registering the amount of gas consumed, and if we were to divide our yard into tenths and hundredths that also would be a decimal system, but neither could be called the metric system. The term Metric System properly speaking applies only to the system based on the French measure of length—the metre.

Towards the close of the last century the weights and measures of France, like those now in use in this country, were in a state of confusion. In 1790 the French Government made overtures to our Government with a view to the appointment of a joint commission of scientists of the two countries to fix a natural standard of weights

and measures. Unfortunately, our Government did not respond. The French Government, therefore, undertook the task themselves and with the assistance of an international committee (on which England was not represented) eventually adopted a most perfect system of weights and measures—what is now known as the Metric System, which was legally sanctioned and came into operation in France in the year 1795.

The fundamental basis fixed upon was the ten-millionth part of a quadrant of the Meridian; i.e., the distance from the Equator to one of the Poles. This was named *The Metre* (from a Greek word signifying a measure) and forms the unit of length, to which the respective units of surface, capacity, solidity, and weight are definitely and simply related, as will presently be shown.



Although the French are generally given the credit of having been the first to propose a decimal system of weights and measures, it is worthy of note that that honour really belongs to one of our own countrymen—James Watt, the inventor of the steam engine—who in 1783 devised a decimal system practically identical with that subsequently adopted by the French Government. There is evidence to show that Watt submitted his proposal to the French authorities, who readily perceived its advantages, and ultimately adopted it.

Since its introduction into France the use of this system has rapidly extended. It was introduced into France in 1795, Belgium in 1801, Holland in 1816, Greece in 1836, Switzerland in 1850, Spain in 1859, Portugal in 1861, Italy in 1863, Roumania in 1865, Germany in 1872, Mauritius in 1875, Austria in 1876, Egypt in 1876, Servia in 1883, Norway in 1882, Sweden in 1889, Turkey in

1892, and it has also been adopted in the Argentine Republic, Bolivia, Brazil, Central America, Chili, Columbia, Ecuador, Finland, the French, Italian, Spanish, and Portugese colonies and dependencies, Haiti, Japan, Java, Mexico, Peru, San Domingo, Uruguay, and Venezuela, these countries having a total population of 445 millions.

It will thus be seen that a very large proportion of the civilised nations of the world have adopted the metric system of weights and measures; and in no single case has a country which has once adopted the system ever discarded it.

For the last twenty years the Chambers of Commerce of the United Kingdom have acknowledged the great advantages of the system, and have been unanimous in urging the Government to make it compulsory in the United Kingdom, but the only result of their labours so far is that the use of the system has been made *permissive*; formerly it was illegal to use metric weights and measures in this country for trading purposes. There is no doubt that, sooner or later, the system will be made compulsory in this country.

Explanation of the Metric System.—Dismiss from your mind all the tables you learned at school, such as avoirdupois weight, troy weight, apothecaries weight, cloth measure, square measure, wine measure, ale and beer measure, corn or dry measure, and everything else connected with British weights and measures, and learn the following table instead :—

The *metre*	is	the standard	of length
,, *litre*	,,	,,	capacity
,, *gramme*	,,	,,	weight

Then learn the following :—

Deka	means	ten times.
Hecto	,,	a hundred times
Kilo	,,	a thousand times
Deci	,,	a tenth
Centi	,,	a hundredth
Milli	,,	a thousandth

The first three words are the Greek equivalents for the numbers 10, 100, 1,000, and the last three are the Latin equivalents for the same numbers. Greek = multiply by; Latin = divide by.

These words are prefixed to the *units*, viz., metre, litre, and gramme, and we thus get :—

Kilometre	=	1,000 metres ...	... 1,000
Hectometre	=	100 ,, ...	... 100
Dekametre	=	10 ,, ...	... 10
METRE		Standard ...	... 1
Decimetre	=	$\frac{1}{10}$th of a metre...	... ·1
Centimetre	=	$\frac{1}{100}$th ,, ...	... ·01
Millimetre	=	$\frac{1}{1000}$th ,, ...	... ·001

We proceed with the other units in the same way, thus :—

Kilogramme	=	1,000 grammes ...	... 1,000
Hectogramme	=	100 ,, ...	... 100
Dekagramme	=	10 ,, ...	... 10
GRAMME		Standard ...	... 1
Decigramme	=	$\frac{1}{10}$th of a gramme	... ·1
Centigramme	=	$\frac{1}{100}$th ,,	... ·01
Milligramme	=	$\frac{1}{1000}$th ,,	... ·001

and *litre* in the same way.

We then arrive at our complete table of weights and measures, thus :—

1000th (mili)	100th (centi)	10th (deci)	Standard	10 times (Deka)	100 times (Hecto)	1000 times (Kilo)
mili *metre*	centi *metre*	deci *metre*	METRE :	Deka *metre*	Hecto*metre*	Kilo *metre*
mili *gram*	centi *gram*	deci *gram*	GRAMME	Deka *gram*	Hecto*gram*	Kilo *gram*
mili *litre*	centi *litre*	deci *litre*	LITRE :	Deka *litre*	Hecto *litre*	Kilo *litre*

This table is all that a child on the Continent has to learn, and when once learned is never forgotten ; whereas our children have to learn about a dozen complicated nonsensical tables, most of which are forgotten as soon as school days are over.

We may mention that of the denominations given in the above table only the following are in every day use :—

The centimetre
,, decimetre
,, METRE
,, Kilometre

The decigramme
,, GRAMME
,, Kilogramme
The LITRE, and
,, hectolitre

Decimal Notation.—Before proceeding further it will be well to explain the decimal notation. A decimal number is generally expressed thus :—

278·543

that is, the figures are separated by a dot, or "decimal point" as it is generally called. All the numbers to the *left* of the dot are *units*, thus in the above example there are 278 units. The figures on the *right* of the dot are parts of the unit, viz., 10ths, 100ths, 1,000ths, or 10,000ths, according as they stand 1st, 2nd, 3rd, or 4th, after the dot. Any noughts added after the last figure to the right are of no value.

The	10th	part	of	the	unit	1 is ·1
,,	100th	,,	,,	,,	1	,, ·01
,,	1,000th	,,	,,	,,	1	,, ·001
,,	10,000th	,,	,,	,,	1	,, ·0001

Therefore the example given above is made up thus :—

8	units	
70	,,	
200	,,	
5		tenths
04		hundredths
003		thousandths
or 278·543		

¾	of the unit 1 is	...	...	0·75
½	,, ,,	...	...	0·50
¼	,, ,,	...	...	0·25
⅛th	,, ,,	...	...	0·125
$\frac{1}{16}$th	,, ,,	...	...	0·0625
⅕th	,, ,,	...	...	0·2
$\frac{1}{10}$th	,, ,,	...	...	0·1
$\frac{1}{20}$th	,, ,,	...	...	0·05

Thus 123 divided by 5 is 20·6; 237 ÷ 4 = 59·25; 3 ÷ 8 = 0·375; 121 ÷ 2 = 60·5; ·03 ÷ 10 = ·003.

1.—The Metre.

We now proceed to explain the system in detail, beginning with the metre—the measure of length.

We have already explained how this measure is derived. The following is the complete metric table of length.

10 millimetres	make	1 centimetre
10 centimetres	,,	1 decimetre
10 decimetres	,,	1 metre
10 METRES	,,	1 dekametre
10 dekametres	,,	1 hectometre
10 hectometres	,,	1 kilometre
10 kilometres	,,	1 myriametre

Myria (which we have not given hitherto) is the prefix signifying 10,000 times. It is used chiefly in connection with measures of length and weight, and then very seldom.

From the above table it will be seen that Metric measures may be expressed in a variety of ways, thus :—

	Km	Hm	Dm	M	dm	cm	mm
9728·555 metres equals	9	7	2	8	5	5	5
or		97	2	8	5	5	5
or			972	8	5	5	5
or				9728	5	5	5
or				9728	–	55½	–
or	9	–	–	728	–	55½	–

The last is the form in which this particular measure would be expressed.

Exercises.

(1) Express 2 hectometres 7 dekametres in Metres
(2) ,, 2 ,, 7 ,, in centimetres
(3) ,, 53 kilometres 2 hectometres 3 dekametres in Metres
(4) ,, 53 ,, 2 ,, 3 ,, in centimetres
(5) How many Metres, &c., are there in 73261 centimetres ?
(6) ,, ,, ,, ,, in ·73261 ,,
(7) Express in terms of a Metre, 31 metres 57 centimetres
(8) Find the average of—28 metres ; 1 metre 9 decimetres ; 6 dekametres 3 metres ; ·73 hectometres ; ·0195 kilometres ; 48 decimetres ; and 1500 centimetres.

The *kilometre* is used to express *long distances*, roads, &c., just as when we speak of miles. The *metre* is used to measure the *length* of pieces of cloth, the length of a wall, &c. The *centimetre* is used to express the *width* of a piece of cloth, the size of a pane of glass, &c. The *millimetre* is used to measure the *thickness* of articles, such as wire, a pane of glass, a sheet of iron, &c.

2.—The Measure of Surface.

Closely allied to the metre (the measure of length) is the measure of surface, the *square metre.*

This, as its name implies, is a square whose four sides are each a metre in length. The square metre is sub-divided into square decimetres, square centimetres, and square millimetres, and is multiplied into square dekametres, square hectometres, square kilometres, and square myriametres. Therefore, we say that

1 square millimetre 1 square centimetre 1 square decimetre 1 square METRE 1 square dekametre 1 square hectometre 1 square kilometre 1 square myriametre	is equal to a square measuring on each of its sides	1 millimetre 1 centimetre 1 decimetre 1 METRE 1 dekametre 1 hectometre 1 kilometre 1 myriametre

It will be seen that each of these measures is 100 times greater or less than its neighbouring sub-multiple or multiple respectively, thus :

1	2	3	4	5	6	7	8	9	10
2									20
3									30
4									40
5									50
6									60
7									70
8									80
9									90
10									100

Square decimetre (exact size), divided into 100 square centimetres.

Therefore

1 square decimetre is equal to 100 square centimetres.
1 square metre ,, ,, 100 square decimetres.
1 square dekametre ,, ,, 100 square metres.
1 square hectometre ,, ,, 100 square dekametres.
1 square kilometre ,, ,, 100 square hectometres.
1 square myriametre ,, ,, 100 square kilometres.

To read 12 sq. m. 5432, divide each part after the decimal point into two figures (as we are dealing with 100's now, i.e., sq. 10's) thus :—

12 sq. m. | 54 sq. dm. | 32 sq. cm.

If a single figure, say 3, were added on the right, the above would read—

12 sq. m. | 54 sq. dm. | 32 sq. cm. | 30 sq. mm.
(3 sq. mm. would be 03.)

Exercises.—Write in proper form :—

(1) 375 sq. m., 32 sq. dm., 33 sq. cm. and 17 sq. mm.
(2) 27 sq. m., 5 sq. dm., 2 sq. cm.
(3) 54 sq. m., 13 sq. cm., 2 sq. mm.
(4) Reduce to square metres, 354 square decimetres ·3957.
(5) Convert 37·264 sq. m. into decimetres.

Square metres are used to express the dimensions of a wall, or the area of a room. *Square decimetres* are used for smaller surfaces such as a book, a tile, or a brick. *Square metres*, *square dekametres*, and *square hectometres* are used in measuring large plots of land—fields, for instance. *Square kilometres* are used in expressing the area of a country, where we use square miles.

In measuring *land* another measure is used, viz., the *are*, which is equal to 1 square dekametre or 100 square metres. The only other measures in use derived from the *are* are the centiare (or 100th part of an are) = 1 square metre; and the hectare = 100 ares, or 10,000 centiares, or 10,000 square metres.

3.—Measure of Volume or Solidity.

This is what we call in England cubic measure. A cube is a body having six equal sides. A dice, for instance, is a cube.

The principal unit of the measures of volume is the cubic metre, which is a cube whose sides measure one square metre each.

Therefore

A cubic metre = 1,000 cubic decimetres.
A cubic decimetre = 1,000 cubic centimetres.
A cubic centimetre = 1,000 cubic millimetres.

These are the only measures used.

To read 9 cubic m. ·369274 divide the decimal parts into sets of three figures thus—

9 cubic m. | 369 cubic dm. | 274 cubic cm.

0 cubic m. ·00326931 would be read as

3 cubic dm. | 269 cubic cm. | 310 cubic mm.

Firewood is sold in France by the *stere* = 1 cubic metre; the dekastere = 10 steres; and the decistere = 1-10th of a stere.

4.—Measures of Capacity.

These measures are based on the measure of length, just as the square measures are. The *litre* is the standard. If you want to express a quart in inches, the only way you can do so is to say that it is 69·3185 cubic inches. In the metric system we simply say: A *litre* is a *cubic decimetre*. If you construct a hollow cubic decimetre, fill it with water and then pour the water into a litre, you will find that the liquid just fills the vessel. A litre holds rather less than a quart measure.

This is the table of capacity:—

10 millilitres make a centilitre
10 centilitres ,, ,, decilitre
10 decilitres ,, ,, litre
10 LITRES ,, ,, dekalitre
10 dekalitres ,, ,, hectolitre
10 hectolitres ,, ,, kilolitre

A litre is only another name for a cubic decimetre, and a kilolitre for a cubic metre.

The *litre* is the principal unit used in retailing liquids, grains, seeds, &c. A wholesale trader would measure by dekalitres or hectolitres, a retailer by litres, half litres, and decilitres.

Exercises :—

(1) Reduce 3,692 litres ·7 to hectolitres
(2) Convert 7 decilitres ·34 into litres
(3) ,, 7 hectolitres ·27 ,, ,,
(4) ,, 35 ,, ·3 ,, ,,
(5) ,, 27 litres ·3 into hectolitres
(6) Reduce 7 hectolitres to litres
(7) Add together: 3 hectolitres, 397 decilitres; 2732 litres 37 centilitres; and 37 dekalitres 27 decilitres

5.—Weights.

Here the *gramme* is the unit. A gramme is the weight of a cubic centimetre of distilled water, therefore, 1 litre = 1 kilogramme or 1,000 c. cm.; 1 kilolitre = 1,000 kilogrammes or 1 million c. cm.

The table of weight is as follows :—

Myriagramme	=	10,000 grammes
Kilogramme	=	1,000 ,,
Hectogramme	=	100 ,,
Dekagramme	=	10 ,,
GRAMME	=	1 gramme
Decigramme	=	·1 ,,
Centigramme	=	·01 ,,
Milligramme	=	·001 ,,
Quintal	=	100 kilogrammes
Tonne	=	10 quintals

The notation is exactly the same as for metres, thus :—

15 grammes ·28	=	15 grammes, 28 centigrammes.	
3 ,, ·08	=	3 ,, 8	,,
0 ,, ·38	=	38	,,
3 dekagrammes ·83	=	38 ,, 30	,,

Exercises :—

(1) If a litre of wine weighs 980 grammes, what is the weight (in kilogrammes) of the wine in a cask containing 220 litres?
(2) Convert 378,654 metres into kilometres
(3) ,, ,, ,, ,, centimetres
(4) ,, ,, sq. metres into sq. kilometres
(5) ,, ,, grammes into kilogrammes

CHAPTER XXX

THE METRIC SYSTEM—*Continued*

Comparison of the Metric and British Systems.—From the preceding explanation and tables it will be seen that in the metric system all the measures of length, weight, surface, and solidity are definitely and simply related to the metre—the measure of length; in fact, only one kind of measure is used for everything, instead of the bewildering array of measures in use in England, such as wine measure, ale measure, timber measure, apothecaries' weight, troy weight, avoirdupois weight, coal weight, hay and straw weight, wool weight, and so on *ad infinitum*.

Contrast the sweet simplicity of the metric system with our own cumbrous methods.

Take up a local paper and look at the market reports. You will find that at Billingsgate pickled cod is quoted so much "a barrel," trawl cod so much "each," large hooked cod so much "a score," and crimped cod so much "per lb."; shrimps are sold by "the stone," soles by "the pair," Dutch smelts by "the basket," and English smelts by "the 100." At Grimsby they deal differently; there fish are mostly sold by "the box" and "the last."

Butter in Ireland is sold by "the cask" and by "the firkin"; in England by "the lb." of sixteen ounces, by "the roll" of twenty-four ounces, by "the stone," and by "the hundred weight," which is not 100 lbs. but 112 lbs. Potatoes are dealt in by "the sack" and "the load."

In London and Liverpool wheat and maize are sold by "the quarter" and by "the cental." Wool is sold in country districts by "the stone" (14½ lb. in England, 24 lb. in Scotland), "the tod," and "the pack."

Analysing the quantities of the various denominations only makes confusion doubly confounded.

What is "a load"? A load of straw is 1,296 lb.; a load of *old* hay is 2,016 lb.; and a load of *new* hay 2,160 lb.

Then what is "a firkin"? A firkin of butter is 56 lb.; a firkin of soap, 64 lb.; and a firkin of raisins, 112 lb.

A "hogshead" of beer is 54 gallons, but a hogshead of wine is 63 gallons.

A barrel of flour (American) is 196 lb.; of soap, 256 lb.; of gunpowder, 100 lb.; of anchovies, 30 lb.; of beer, 36 gallons; of coal tar, 25 gallons; of oats, 14 stone; and of barley, 16 stone.

Again, in apothecaries' weight there are only 12 ounces to the lb., and in avoirdupois weight 16 ounces to the lb.; thus, those who buy by avoirdupois like to sell by apothecaries' weight—and see what an advantage they get!

A pipe of Marsala wine is 93 gallons, of Madeira, 92 gallons; of Bucellas, 117 gallons; Port, 103 gallons; and of Teneriffe, 100 gallons.

A stone weight of living man is 14 lb., but a stone weight of dead ox is 8 lb. A stone weight of cheese is 16 lb.; of glass, 5 lb.; of hemp, 32 lb. A stone of flax at Belfast is 16¾ lb., but at Downpatrick, 24 lb.; whilst a hundredweight of pork is 8 lb. heavier at Belfast than it is at Cork—another injustice to Ireland!

It is needless to give further illustrations of this kind, although it could be carried on for a long time.

The following graphic illustration will suffice to pourtray the advantages of the decimal system over the ordinary system :—

We want to reduce 987,654,321 inches to leagues. Now, the only way we can do it, under the present system, is this :—We must begin by dividing all these figures by twelve, to get them into feet: then divide the product by three, to make yards of them; next divide by five-and-a-half, to get them into poles; another division by forty will show how many furlongs there are; then, if our brains will stand it (remember that we are already dealing with fractions in the quotient), we must divide by eight, which will give the miles, and lastly by three, to give the leagues. If we have made no mistake, we shall have arrived at a satisfactory result, thus :—

12) 987,654,321
3) 82,304,526·75
5½) 27,434,842·25
40) 4,988,153·136
8) 124,703·828
3) 15,587·978
5,195·992

But if we desire to arrive at the same result under the metric system, allowing the same denominations, but considering each a decimal, no calculation is necessary, no sum, no puzzling and addling of children's brains with a system which they have not the capacity to learn, and ought never to have to be taught, but placing a point on the left-hand side of the figure 6, we have the number of leagues, whilst the six figures on the right of the point furnish the decimal fractions, thus :—

987·654321

meaning 987 leagues, 6 miles, 5 furlongs, 4 poles, 3 yards, 2 feet, 1 inch.

Is it reasonable, making Board schools at the rate we are, that we should addle the brains of children in this way? We ought all to rise against it. At the Labour Congress held in Glasgow a few years ago, a gentleman, referring to this question, said that three years of a child's school life were taken up in learning the present nonsensical system. If it were a question of even three months it is quite sufficient for some action to be taken. There ought to be an Act of Parliament passed rendering the Metric System compulsory two years after the passing of the Act; and two years after that Act has been in force we shall all of us wonder how we could have been such fools as to have permitted the old system to exist at all.*

* From speeches delivered by the late Mr. J. J. Cousins, of Leeds, at meetings of the Association of Chambers of Commerce.

CHAPTER XXXI

DECIMAL SYSTEMS OF MONEY

A reference to the table given in the chapter on "Foreign Exchange" will show that with the exception of the following countries :—

The United Kingdom
The Cape Colonies
Australia
New Zealand, and
British India

the coins of every country there named are divisible by ten. It will thus be seen that Great Britain and some of her Colonies and Dependencies have the unenviable distinction of being the only civilised countries in the world which have not a decimal system of money.

It cannot be said that our present system of money affects our foreign trade appreciably, but it undoubtedly causes a great waste of time in calculations, as compared with foreign methods. Thus, to reduce farthings to £'s and £'s to farthings, our children are taught to proceed as follows :—

		£	s.	d.
4) 732,936		763	9	6
12) 183,234		20		
20) 15,269·6		15,269		
£763 9s. 6d.		12		
		183,234		
		4		
		732,936 farthings.		

whereas to reduce centimes to francs, and francs to centimes, all that is necessary is to insert or remove a decimal point, thus :—

732936 centimes = Fcs. 7329·36 ; Fcs. 7329·36 = 732936 centimes ;

no calculation being required.

The difficulty of decimalising our coinage centres in the penny. The penny plays such an important part in everyday affairs that to increase or diminish its value as compared with the £ would undoubtedly cause a good deal of friction—though this would be for a time only.

Our present moneys of account are £'s, shillings, and pence. £1 = 20 shillings, 1/- = 12 pence, and 240 pence = 960 farthings. If our forefathers had only had the wisdom to make the £ equal to 1,000 farthings, what a lot of trouble it would have saved! Probably our descendants will say the same thing of us if we suffer a continuance of our present inconvenient system of money, and our chaotic "system" of weights and measures.

Many proposals have been made for decimalising British money. Some enthusiasts have gone so far as to suggest that we should adopt the *franc* as a basis, divided into tenths and hundreds, thus:—

Franc—10d., 1d., 1/10d.

whilst others suggest the *dollar* as the basis, thus—

Dollar—50d., 5d., ½d.

The latter is much the more sensible proposal of the two, but it is tolerably certain that if we ever do have a decimal system of money in this country, it will be neither of the above. There is no question that in any system which may be adopted the £ will have to be retained as the unit—the British public will not consent to keep their accounts in either Dollars or Francs.

The most popular proposal is that originally brought before the House of Commons in 1824 by Sir John (afterwards Lord) Wrottesley, and known as the "pound and mil" system. This has the advantage of retaining the £ as the unit; but in order to decimalise the £ it would be necessary to do away with the half-crown, the sixpence, the threepenny piece, and our present copper coins. It would, however, be possible to retain the penny, in view of the difficulties already mentioned with regard to that coin, but it would of course not be a decimal of the £.

The "moneys of account" under this system would be the £, the *florin*, "one tenth of a pound"; the *cent*, a new coin worth $2\frac{2}{5}$d., or the hundredth part of a £; and the *mil*, a new coin worth $\frac{96}{100}$ of a farthing, or the thousandth part of a £.

The following tables show the coins at present in circulation as compared with those necessary under the proposed new system :—

Present Coins.			*Proposed New Coins.*		
Sovereign	=	960 farthings.	Sovereign	=	1,000 mils.
Half-sovereign	=	480 ,,	Half-sovereign	=	500 ,,
Crown	=	240 ,,	Double-florin	=	200 ,,
Half-crown	=	120 ,,	Florin	=	100 ,,
Florin	=	96 ,,	Shilling	=	50 ,,
Shilling	=	48 ,,	Quarter-florin	=	25 ,,
Sixpence	=	24 ,,	Cent	=	10 ,,
Threepence	=	12 ,,	Penny	=	5 ,,
Penny	=	4 ,,	Halfpenny	=	$2\frac{1}{2}$,,
Halfpenny	=	2 ,,	Mil	=	1 ,,
Farthing	=	1 ,,			

The "penny," under the new system, would be worth about 20% more than the present coin, i.e., 10 pennies of 5 mils each would go to the shilling. It would be possible to retain the present penny and halfpenny and declare them to be worth respectively $4\frac{1}{6}$ mils or one-twelfth of a shilling, and $2\frac{1}{12}$ mils or one-twenty-fourth of a shilling, which would cause no disturbance whatever in retail transactions, but would be inconvenient in other respects.

Under the new system, accounts would be kept in £'s and cents, thus :—

£	s.	d.		£	c.	
37	5	0	would be written	37	25	
7	7	6	,, ,, ,,	7	$37\frac{1}{2}$	(or 7·375)
12	15	6	,, ,, ,,	12	$77\frac{1}{2}$	(or 12·775)
2	0	1	,, ,, ,,	2	$00\frac{1}{2}$	(or 2·005)
£59	8	1		£59	$40\frac{1}{2}$	

The saving of time in calculations under this system, as compared with our present system of £'s, shillings, and pence, is obvious.

APPENDIX I

EQUIVALENTS OF IMPERIAL AND METRIC WEIGHTS AND MEASURES

(As fixed recently by the Board of Trade, under the provisions of the Weights and Measures (Metric System) Act, 1897)

Weight *(avoirdupois)*

1 Milligram	=	0·015 Grain
1 Centigram ($\frac{1}{100}$ gram.) ...	=	0·154 ,,
1 Decigram ($\frac{1}{10}$,,) ...	=	1·543 Grains
1 Gramme	=	15·432 ,,
1 Dekagram (10 grams.) ...	=	5·644 Drams
1 Hectogram (100 ,,) ...	=	3·527 Ounces
1 Kilogram (1,000 ,,) ...	=	2·2046223 Pound
1 Myriagram (10 kilog.) ...	=	22·046 Pound
1 Quintal (100 ,,) ...	=	1·968 Hundredweight
1 Tonne (1,000 ,,) ...	=	0·9842 Ton
1 Grain	=	0·0648 Gramme
1 Dram	=	1·772 Grammes
1 Ounce (16 dr.)	=	28·350 ,,
1 Pound (16 oz. or 7,000 grains)	=	0·45359243 Kilogram
1 Stone (14 lb.)	=	6·350 Kilograms
1 Quarter (28 lb.)	=	12·70 ,,
1 Hundredweight (112 lb.) ...	=	50·80 ,, or
	=	0·5080 Quintal
1 Ton (20 cwt.)	=	0·1016 Kilogram

Linear Measure.

1 Millimetre ($\frac{1}{1000}$ m.) ...	=	0·03937 Inch
1 Centimetre ($\frac{1}{100}$ m.) ...	=	0·3937 ,,
1 Decimetre ($\frac{1}{10}$ m.)	=	3·937 Inches
1 Metre (m) = 39·370113 in. ...	=	3·280843 Feet 1·0936143 Yards
1 Dekametre (10 m.) ...	=	10·936 ,,
1 Hectometre (100 m.) ...	=	109·36 ,,
1 Kilometre (1,000 m.) ...	=	0·6213 Mile
1 Inch	=	25·400 Millimetres
1 Foot (12 in.)	=	0·30480 Metre
1 Yard (3 ft.)	=	0·914399 ,,
1 Fathom (6 ft.)	=	1·8288 Metres
1 Pole ($5\frac{1}{2}$ yds.)	=	5·0292 ,,
1 Chain (22 yds. or 100 links)	=	20·1168 ,,
1 Furlong (220 yds.)	=	201·168 ,,
1 Mile (1,760 yds.)	=	1·6093 Kilometres

Measure of Capacity.

1 Centilitre ($\frac{1}{100}$ litre) ...	=	0·070 Gill
1 Decilitre ($\frac{1}{10}$ litre)	=	0·176 Pint
1 Litre	=	1·75980 Pints
1 Dekalitre (10 litres) ...	=	2·200 Gallons
1 Hectolitre (100 ,,) ...	=	2·75 Bushels
1 Gill	=	1·42 Decilitres
1 Pint (4 gills)...	=	0·568 Litre
1 Quart (2 pints)	=	1·136 Litres
1 Gallon (4 quarts)	=	4·5459631 ,,
1 Peck (2 galls.)	=	9·092 ,,
1 Bushel (8 galls.)	=	3·637 Dekalitres
1 Quarter (8 bushels)... ...	=	2·909 Hectolitres

Square Measure.

1 Square Centimetre	=	0·155 Square Inch
1 Square Decimetre (100 sq. centm.)	=	15·500 Square Inches
1 Square Metre or Centiare (100 sq. decim.)	=	10·7639 Square Feet
	=	1·1960 Square Yards
Are (100 sq. m.)	=	119·60 ,,
Hectare (100 ares or 10,000 sq. m.)	=	2·4711 Acres
1 Square Inch	=	6·4516 Square Centimetres
1 Square Foot (144 square inches)	=	9·2903 Square Decimetres
1 Square Yard (9 square feet)	=	0·836126 Square Metre
1 Perch (30¼ square yards) ...	=	25·293 Square Metres
1 Rood (40 perches)	=	10·117 Ares
1 Acre (4,840 square yards)...	=	0·40468 Hectare
1 Square Mile (640 acres) ..	=	259·00 Hectares

Cubic Measure.

1 Cubic Centimetre (c.c.) (1,000 cubic millimetres) ...	=	0·0610 Cubic Inch
1 Cubic Decimetre (c.d.) (1,000 c.c.)	=	61·024 Cubic Inches
1 Cubic Metre (1,000 c.d.) ...	=	{ 35·3148 Cubic Feet 1·307954 Cubic Yards
1 Cubic Inch	=	16·387 Cubic Centimetres
1 Cubic Foot (1,728 cubic inches)	=	0·028317 Cubic Metre
1 Cubic Yard (27 cubic feet)	=	0·764553 Cubic Metre

Troy Weight.

1 Troy Ounce (20 Pennyweights)	=	31·1035 Grammes
1 Pennyweight (24 grains) ...	=	1·5552 ,,
1 Grain	=	0·0648 Gramme
1 Gramme	=	0·03215 Ounce Troy
	=	15·432 Grains

Apothecaries' Weight.

1 Ounce (8 drachms)	=	31·1035 Grammes
1 Drachm (3 scruples) ...	=	3·888 ,,
1 Scruple (20 grains) ...	=	1·296 ,,
1 Grain	=	0·0648 Gramme
1 Gramme	=	0·2572 Drachm (apoth.)
	=	0·7716 Scruple ,,
	=	15·432 Grains ,,

Apothecaries' Measure.

1 Gallon (8 pints or 160 fluid ounces)	=	4·5459631 Litres
1 Pint	=	0·568 Litre
1 Fluid Ounce (8 drachms) ...	=	2·84123 Centilitres
1 Fluid Drachm (60 minims)...	=	3·552 Millilitres
1 Fluid Scruple	=	1·184 ,,
1 Minim	=	0·059 Millilitre

EQUIVALENTS OF METRIC AND IMPERIAL WEIGHTS AND MEASURES

Weight *(Avoirdupois)*

	Grains to Milligrams	Ounces to Grammes	Pounds to Kilograms	Cwts. to Quintals	Tons to Tonnes
1	64·80	28·350	0·45359	0·5080	1·016
2	129·60	56·700	0·90719	1·0160	2·032
3	194·40	85·050	1·36078	1·5240	3·048
4	259·20	113·400	1·81437	2·0320	4·064
5	324·00	141·750	2·26796	2·5400	5·080
6	388·80	170·100	2·72156	3·0480	6·096
7	453·60	198·450	3·17515	3·5560	7·112
8	518·40	226·800	3·62874	4·0640	8·128
9	583·20	255·150	4·08233	4·5720	9·144
10	648·00	283·500	4·53592	5·0800	10·160

	Milligrams to Grains	Grammes to Ounces	Kilograms to Pounds	Quintals to Cwts.	Tonnes to Tons
1	0·015	0·03527	2·20462	1·968	0·9842
2	0·030	0·07054	4·40924	3·936	1·9684
3	0·045	0·10581	6·61386	5·904	2·9526
4	0·060	0·14108	8·81849	7·872	3·9368
5	0·075	0·17635	11·02311	9·840	4·9210
6	0·090	0·21162	13·22773	11·808	5·9052
7	0·105	0·24689	15·43235	13·776	6·8894
8	0·120	0·28216	17·63697	15·744	7·8736
9	0·135	0·31743	19·84159	17·712	8·8578
10	0·150	0·35270	22·04622	19·680	9·8420

Linear Measure.

	Inches to Millimetres	Inches to Centimetres	Yards to Metres	Miles to Kilometres
1	25·40	2·54	0·914399	1·6093
2	50·80	5·08	1·828798	3·2186
3	76·20	7·62	2·743197	4·8279
4	101·60	10·16	3·657596	6·4372
5	127·00	12·70	4·571995	8·0465
6	152·40	15·24	5·486394	9·6558
7	177·80	17·78	6·400793	11·2651
8	203·20	20·32	7·315192	12·8744
9	228·60	22·86	8·229591	14·4837
10	254·00	25·40	9·143990	16·0930

	Millimetres to Inches	Centimetres to Inches	Metres to Yards	Kilometres to Miles
1	0·03937	0·3937	1·0936143	0·6213
2	0·07874	0·7874	2·1872286	1·2426
3	0·11811	1·1811	3·2808429	1·8639
4	0·15748	1·5748	4·3744572	2·4852
5	0·19685	1·9685	5·4680715	3·1065
6	0·23622	2·3622	6·5616858	3·7278
7	0·27559	2·7559	7·6553001	4·3491
8	0·31496	3·1496	8·7499144	4·9704
9	0·35433	3·5433	9·8425287	5·5917
10	0·39370	3·9370	10·9361430	6·2130

Measure of Capacity.

	Quarts to Litres	Gallons to Litres	Bushels to Dekalitres	Quarters to Hectolitres
1	1·136	4·545963	3·637	2·909
2	2·272	9·091926	7·274	5·818
3	3·408	13·637889	10·911	8·727
4	4·544	18·183852	14·548	11·636
5	5·680	22·729815	18·185	14·545
6	6·816	27·275778	21·822	17·454
7	7·952	31·821741	25·459	20·363
8	9·088	36·367704	29·096	23·272
9	10·224	40·913667	32·733	26·181
10	11·360	45·459630	36·370	29·090

	Litres to Pints	Dekalitres to Gallons	Hectolitres to Bushels	Kilolitres to Quarters
1	1·75980	2·200	2·75	3·4375
2	3·51960	4·400	5·50	6·8750
3	5·27940	6·600	8·25	10·3125
4	7·03920	8·800	11·00	13·7500
5	8·79900	11·000	13·75	17·1875
6	10·55880	13·200	16·50	20·6250
7	12·31860	15·400	19·25	24·0625
8	14·07840	17·600	22·00	27·5000
9	15·83820	19·800	24·75	30·9375
10	17·59800	22·000	27·50	34·3750

Square Measure.

	Square Inches to Square Centimetres	Square Feet to Square Decimetres	Square Yards to Square Metres	Acres to Hectares
1	6·4516	9·2903	0·836126	0·40468
2	12·9032	18·5806	1·672252	0·80936
3	19·3548	27·8709	2·508378	1·21404
4	25·8064	37·1612	3·344504	1·61872
5	32·2580	46·4515	4·180630	2·02340
6	38·7096	55·7418	5·016756	2·42808
7	45·1612	65·0321	5·852882	2·83276
8	51·6128	74·3224	6·689008	3·23744
9	58·0644	83·6127	7·525134	3·64212
10	64·5160	92·9030	8·361260	4·04680

	Square Centimetres to Square Inches	Square Metres to Square Feet	Square Metres to Square Yards	Hectares to Acres
1	0·155	10·7639	1·196	2·4711
2	0·310	21·5278	2·392	4·9422
3	0·465	32·2917	3·588	7·4133
4	0·620	43·0556	4·784	9·8844
5	0·775	53·8195	5·980	12·3555
6	0·930	64·5834	7·176	14·8266
7	1·085	75·3473	8·372	17·2977
8	1·240	86·1112	9·568	19·7688
9	1·395	96·8751	10·764	22·2399
10	1·550	107·6390	11·960	24·7110

Cubic Measure.

	Cubic Inches to Cubic Centimetres	Cubic Feet to Cubic Metres	Cubic Yards to Cubic Metres		Cubic Decimetres to Cubic Inches	Cubic Metres to Cubic Feet	Cubic Metres to Cubic Yards
1	16·387	0·028317	0·764553	1	61·024	35·3148	1·307954
2	32·774	0·056634	1·529106	2	122·048	70·6296	2·615908
3	49·161	0·084951	2·293659	3	183·072	105·9444	3·923862
4	65·548	0·113268	3·058212	4	244·096	141·2592	5·231816
5	81·935	0·141685	3·822765	5	305·120	176·5740	6·539770
6	98·322	0·169902	4·587318	6	366·144	211·8888	7·847724
7	114·709	0·198219	5·351871	7	427·168	247·2036	9·155678
8	131·096	0·226536	6·116424	8	488·192	282·5184	10·463632
9	147·483	0·254853	6·880977	9	549·216	317·8332	11·771586
10	163·870	0·283170	7·645530	10	610·240	353·1480	13·079540

Troy Weight.

	Ounces Troy to Grammes	Pennyweights to Grammes		Grammes to Ounces Troy	Grammes to Pennyweights
1	31·1035	1·5552	1	0·03215	0·643
2	62·2070	3·1104	2	0·06430	1·286
3	93·3105	4·6656	3	0·09645	1·929
4	124·4140	6·2208	4	0·12860	2·572
5	155·5175	7·7760	5	0·16075	3·215
6	186·6210	9·3312	6	0·19290	3·858
7	217·7245	10·8864	7	0·22505	4·501
8	248·8280	12·4416	8	0·25720	5·144
9	279·9315	13·9968	9	0·28935	5·787
10	311·0350	15·5520	10	0·32150	6·430

Apothecaries' Weight.

	Scruples to Grammes	Grains to Grammes		Grammes to Scruples	Grammes to Grains
1	1·296	0·0648	1	0·7716	15·432
2	2·592	0·1296	2	1·5432	30·864
3	3·888	0·1944	3	2·3148	46·296
4	5·184	0·2592	4	3·0864	61·728
5	6·480	0·3240	5	3·8580	77·160
6	7·776	0·3888	6	4·6296	92·592
7	9·072	0·4536	7	5·4012	108·024
8	10·368	0·5184	8	6·1728	123·456
9	11·664	0·5832	9	6·9444	138·888
10	12·960	0·6480	10	7·7160	154·320

Apothecaries' Measure.

	Fluid Drachms to Millilitres		Millilitres to Fluid Drachms
1	3·552	1	0·28153
2	7·104	2	0·56306
3	10·656	3	0·84459
4	14·208	4	1·12612
5	17·760	5	1·40765
6	21·312	6	1·68918
7	24·864	7	1·97071
8	28·416	8	2·25224
9	31·968	9	2·53377
10	35·520	10	2·81530

APPENDIX II

Business Abbreviations

A1	First Class (of ships).
a/c	Account.
a/d	After date.
A.D.	Anno Domini.
a.m.	Ante meridiem.
A.R.	All risks.
A/S	Account sales.
@	At, or to, or from.
B/.	Bale.
B/D	Bank Draft
B/E	Bill of Exchange.
Bk.	Bank.
B/L	Bill of Lading.
Bls.	Bales.
B.P.	Bills payable.
B.P.B.	Bank Post Bill
B/R	Bills receivable.
Brls.	Barrels.
Bt. fwd.	Brought forward.
B/S	Bill of Sale.
C/.	Case.
C.B.	Cash Book.
C.C.	Continuation Clause.
Cd. fwd.	Carried forward.
c. & f.	Cost and freight.
c.f.	Do.
c.f. & i.	Cost, freight & insurance.
c.i.f.	Do.
C.f.o.	Cork for orders.
chq.	Cheque.
Ck.	Cask.
Cks.	Casks.
Co.	Company.
C.O.D.	Cash on Delivery
Comn.	Commission.
Con.	Contra—against.
Cont.	Continent.
Contd.	Continued.
C/P	Charter Party.
Cr.	Creditor.
Cs.	Cases.
curt.	Current.
cwt.	Hundredweight.
cum. div.	With dividend.
D/A	Documents attached.
D/A	Documents for acceptance.
D.B.	Day Book.
Dbk.	Drawback.
D.C.	Deviation clause.
d/d	Days after date.
D/D	Draft on Demand.
Debs.	Debentures.
d.f.	Dead freight.
dft.	Draft.
Disct.	Discount.
Div.	Dividend.
Do.	Ditto—the same.
doz.	Dozen.
Dr.	Debtor.
d/s	Days after sight.
d.w.	Dead weight.
Dwt.	Pennyweight.
Dy.	Delivery.
E.E.	Errors excepted.
E.&O.E.	Errors and ommissions excepted.
e.g.	For example.
Etc. (or &c.)	And so on.
E.C.I.	East Coast of Ireland.
Ex.	Exchange.
ex. (or @)	Out of.
exd.	Examined.
ex. div.	Without dividend.
F.A.A.	Free of all Average.
F.a.s.	Free alongside.
F.C. & S.	Free of Capture & Seizure.
Fcp.	Foolscap.
F.O.B.	Free on board.
F.G.A.	Foreign General Average.
F.P.A.	Free of Particular Average.
Fo.	Folio.
F.o.	For orders.
F.o.w.	First open water.

Frt.	Freight.
Fwd.	Forward.
G.A.	General average.
H.M.C.	Her Majesty's Customs.
H.M.S.	,, ,, Service.
H.M.S.	,, ,, Ship.
H.P.	Horse Power (of ships)
i.e.	id est—that is.
insce.	Insurance.
inst.	Instant.
int.	Interest.
inv.	Invoice.
I.O.U.	I owe you.
J/A	Joint Account
Kilos.	Kilogrammes.
lb.	1 pound (weight).
lbs.	pounds (weight).
L/C.	Letter of Credit.
£.s.d.	Libræ, solidi, denarii.
-/m	thousands (as 200/m.).
M.	Mille—one thousand.
m/d	Months after date.
measrt.	Measurement.
memo.	Memorandum.
m.m.	Millimetre.
mo.	Month.
M.O.	Money Order.
m/s	Months after sight.
MS.	Manuscript.
MSS.	Manuscripts.
N.B.	(Nota bene) Mark well.
Net	Without further reduction
No.	Number.
Nos.	Numbers.
o/a	On account.
o.c.	Open charter.
%	Per cent.
‰	Per mille (thousand).
O.P.	Open Policy.
oz.	Ounces.
p. or per.	By.
P.A.	Particular Average.
P/A	Power of Attorney.
paymt.	Payment.
pcs.	Pieces (of cloth).
pd.	Paid.
per ann.	By the year.
per pro.	Per procurationem.
pkgs.	Packages.
pm.	Premium.
p.m.	Post meridiem.
P/N	Promissory Note.
P.O.	Post Office.
p.o.c.	Port of call.
P.O.O.	Postal Order.
p.p.	Particular ports.
pp.	Pages.
proforma.	As a matter of form.
pro. tem.	For the time being.
prox.	Next month.
P.S.	Postscriptum (written afterwards).
P T.O.	Please turn over.
Qr.	Quarter.
Qto.	Quarto.
Qy.	Query.
q.v.	(Quod vide) which see.
Recd.	Received.
Rect.	Receipt.
Regs.	Registered tonnage
Retd.	Returned.
R.I.	Re-insurance.
Shipt.	Shipment.
S.S.orStr.	Steam-ship.
Stg.	Sterling.
T.L.	Total Loss.
T.T.	Telegraphic Transfer
U.K.	United Kingdom.
ult.	Ultimo—last month.
U.S.A.	United States of America.
viz.	Videlicet—namely.
Wd.	Warranted.
Wt.	Weight.
Y.A.R.	York-Antwerp Rules.

QUESTIONS

(For the use of Students)

CHAPTER I

1. What is the difference (if any) between the meanings of the words *commerce, trade,* and *business*?

2. Mention the three principal divisions of British trade.

3. Name some of the sub-divisions.

4. Mention some important branches of trade.

5. Name the four chief trading nations, in order of importance.

6. Of what class of goods do the imports into this country mainly consist?

7. What are the chief articles of export from the United Kingdom?

8. What is meant by the "balance of trade"?

9. Give some reasons for our imports being always greater in value than our exports.

10. Name the principal classes of persons engaged in trade.

11. Explain the meanings of the terms "merchandise," "goods," "commodities."

CHAPTER II

12. What is meant by (1) a direct sale, (2) a sale on commission, (3) a sale by auction?

13. Mention some articles which are sold by one or more of these methods.

14. Give the meanings of the following terms relating to the quality of goods sold: (1) sample, (2) standard, (3) description.

15. What are the principal terms used in reference to the price of goods, and what are their respective meanings?

16. Mention some of the terms relating to the delivery of goods, and state their respective meanings.

17. What are the principal terms used in reference to payment for goods, and what are their respective meanings?

18. What ought to be done when a contract for goods to the value of £10 or upwards is entered into, and for what reason?

CHAPTER II *(continued)*

19. What is meant by the "staple commodity" of a country?

20. A manufacturer finds that certain goods cost him £15 per piece. He adds 10 % for his profit, and wishes to sell the goods subject to a discount of 5 %. What percentage should be added to the price?

21. A tradesman buys certain articles at 10s. each, less 12½ % discount. At what price must he sell to secure a profit of 10 % on the cost, and allow a discount of 5 % on the selling price?

22. You buy certain goods at 60s. per dozen, less 75 % discount, and you wish to retail them so as to leave you a profit of 20 % on the selling price. At what price per single article must you sell them?

23. If you buy goods at 25s. per cwt., less 5 %, and wish to sell them with a discount of 10 %, and make a profit of 5 % on the selling price, at what price should you sell?

24. What are the average due dates in the following cases:—

(1) £120 due October 8th; £250 due October 26th; and £220 due November 7th.

(2) £570 due July 27th; £235 due August 6th; £325 due August 19th; and £130 due August 31st.

(3) £320 due November 12th; £110 due November 30th; £510 due December 12th; £260 due December 27th; and £250 due January 6th?

CHAPTER III

25. What is meant by the term "foreign exchange"?

26. State briefly how money is remitted from one country to another by means of bills of exchange.

27. Give the meanings of the following terms:—(1) rate of exchange, (2) par of exchange, (3) moneys of account, (4) course of exchange, (5) short exchange, (6) long exchange.

28. State in what countries the following coins are used, and give their approximate value in English money:—Kreutzer, krone, franc, lire, rouble, rupee, dollar, tael, peseta, milreis.

29. State what is the equivalent of £100 in the moneys of the following countries, at the rates of exchange specified:—France, 25·30; Belgium, 25·32; Holland, 12·05; Germany, 20·40; Austria,

CHAPTER III *(continued)*

12·10; United States, 4·85; Italy, 27·05; Spain, 30½d.; Australia, ⅛d., premium; India, 1s. 4d.; Hong Kong, 2s.; Shanghai, 2s. 7d.

30. Give the English equivalents of the following sums at the specified rates:—1,250 florins at 12·5; 1,350 marks at 20·40; 4,000 kroner at 18·33; 1,200 roubles at 25d.; 5,215 francs at 25·22½; and 1,520 pesetas at 29½d.

31. If a bill be drawn on a Paris firm for the equivalent of £135 at 25·22½ exchange, what sum should be expressed in the bill?

32. Explain the following paragraph:—

> "Tenders for 45 lakhs in bills and telegraphic transfers on India were received to-day at the Bank of England. The following amounts were allotted:—In transfers, 5 lakhs on Bombay at 1s. 4d.; in bills, 6 lakhs on Calcutta, 27 lakhs on Bombay, and 7 lakhs on Madras, all at 1s. 3 31/32d. The amount sold from April 1st, to date (5th October) is, Rs.12,94,96,890, realising £8,591,184. Next week, the amount to be offered for tender is 40 lakhs."

33. State what is meant by the terms "direct exchange" and "indirect exchange."

34. What is the meaning of the term "re-exchange"?

35. What do you understand by the term "Gresham's Law"?

CHAPTER IV

36. How are foreign orders usually obtained?

37. What is a "commercial traveller"?

38. Are there any restrictions on commercial travellers when visiting foreign countries?

39. State what a commercial traveller should do when intending to obtain orders (a) in Switzerland, (b) in Norway, (c) in Denmark.

40. For what countries is it necessary for travellers to possess a *passport*?

41. If you were to receive an order from a foreign firm with whom you had previously had no dealings, state how you could obtain information as to the firm's financial status, &c.

CHAPTER V

42. What is the meaning of an "indent"?

43. What particulars are usually given in an indent?

44. From whom are indents usually received?

45. What has to be done when an indent is received?

46. You receive indents from Calcutta for the following goods:—

(1) 50 Bls. (500 lbs. ea.) 40s. Banner Mill Mule Twist @ 6½d.

(2) 10 Cs. (50 pcs. ea.), 32 in. White Shirtings, 19 × 22, 40 yds., No. 725, @ 7s.

(3) 6 Cs. (8 pcs. ea.), 54 in. Worsted Tweeds, 30/32 yds., @ 3s., f.o.b. Liverpool.

(4) 50 Brls. Portland Cement (400 lbs. ea.), @ 6s., f.o.b. London.

Make out orders for the same to imaginary firms in places where the goods are produced.

CHAPTER VI

47. State how goods are usually forwarded for shipment by a firm carrying on business in an inland town.

48. Make out a shipping advice note for 50 Bls. cotton goods, forwarded from Manchester to Liverpool. The particulars are, 95,000 yds., value £650, measrt. 3·4 × 1·4 × 2·3.

49. For what purpose are these particulars required?

50. What is a Freight Note? From whom is it received?

51. State the principal ways in which goods for export are ordered by a London house.

52. How are such goods forwarded for shipment?

53. What documents does the London firm receive respecting such goods and from whom?

54. What is the first matter to be attended to when goods have been forwarded to the steamer for exportation?

55. What amount is usually insured and how is the amount ascertained?

56. When no instructions have been received respecting marine insurance is it necessary to advise a foreign buyer that marine insurance will or will not be covered by the exporter?

CHAPTER VI *(continued)*

57. If so, for what reason?

58. What is a "Mate's Receipt"?

59. What amount would be charged for marine insurance and stamp duty in the following cases? £265 @ 7s. 6d. %; £155 @ 12s. 6d. %; £1,520 @ 8s. 9d. %; £525 @ 3s. 6d. %.

CHAPTER VII

60. What is a Bill of Lading?

61. From whom is it obtained, and by whom is it signed?

62. What is the value of the stamp it requires for inland revenue purposes? Should this stamp be affixed or impressed, and when?

63. Are all Bills of Lading in exactly the same form?

64. Is a Bill of Lading transferable like a Bill of Exchange? If so, how is the transfer effected?

65. How many copies of a Bill of Lading are usually made out, and for what purpose?

66. What is meant by "a full set" of Bills of Lading?

67. Name the principal clauses in a Bill of Lading.

68. Explain the meaning of the terms (1) lighterage, (2) jettison, (3) barratry.

69. What is a "letter of indemnity," by whom is it given, and what is its effect?

70. What is "freight"?

71. In what ways is freight charged?

72. What is meant by "a measurement ton"?

73. What is "primage"?

74. What would be the freight on the following goods per steamer?

(1) 10 pkgs., measuring 3·1 × 2·1 × 3·4 each, @ 27s. 6d. and 10%
(2) 20 „ „ 3·2 × 1·9 × 1·10 „ @ 32s. 6d. and 10%
(3) 25 „ „ 3·4 × 1·4 × 2·3 „ @ 35s. and 10%
(4) 50 „ „ 2·8 × 1·8 × 1·8 „ @ 37s. 6d. and 10%

75. What is a Customs "Specification"? Is there more than one kind? If so, name them and describe their respective uses.

76. What is a "certificate of origin"? For what countries is such a document necessary?

CHAPTER VIII

77. Explain what is meant by "Bonded Goods."

78. Of what do Bonded Goods chiefly consist?

79. State briefly the Customs formalities necessary before such goods may be exported.

80. What object have the Customs in insisting on these formalities being observed?

CHAPTER IX

81. Explain the following terms: loco, c. & f., f.o.b., c.f. & i., E.E., E. & O.E.

82. Make out loco invoices in proper form for the following goods by steamer:—

(1) 1 Case, 31 pieces, 27 in. Sicilians for Valparaiso:—

12 pieces black 2/60¾, 3/60½, 2/61, 3/62, 2/62½ yds. @ 8d. per yd.
10 „ blue 1/61, 3/61½, 4/62, 2/62½ yds. @ 8½d. „
9 „ black 3/60½, 4/61, 2/61½ yds. @ 10d. „

Packing 12s.; carriage to Liverpool 5s.; freight at 40s. and 10% (measrt. 33″ × 34″ × 28″); shipping charges 2s. 6d.; insurance @ 17s. 6d. % and stamp (commission included in price).

83. (2) 10 Cases, 50 pieces each, 36 in. White Shirtings, No. 150, @ 8s. per piece, for Calcutta. Packing 7s. 6d. per case; tickets 20s. per 1,000; freight and railway carriage to Liverpool (39 × 23 × 19) at 22s. 6d. and 10 %; telegrams and postages ½ %; insurance at 6s. % (A.R.) and stamp; and commission 2½ %.

84. (3) 1 Case, 20 pieces 30/31 in. Black Moreens, 5/40, 3/40½, 6/41, 5/41½, 1/42 yds. @ 10½d. per yd. for Monte Video. Packing 10s. 6d., carriage to Liverpool 3s. 6d., freight (23 × 29 × 26) at 40s. and 10 %; shipping charges 2s. 3d.; insurance at 17s. 6d. and stamp; commission 2½ %.

85. (4) 50 Bls. (50 bdls. of 10 lbs. each) 40s. Mule Twist @ 6¼d. per lb. for Bombay. Packing 10s. per bale; tickets @ 7s. 6d. per 1,000; freight (43 × 25 × 21) @ 40s. and 10 %; telegrams and postages ½ %; insurance at 6s. 3d. % (f.p.a.) and stamp; commission 2½ %.

86. Make out f.o.b. invoices for each of the above. The railway carriage on No. 2 is 16s. 6d., and shipping charges 6s. 6d. The same charges on No. 4 are 92s. and 22s. 4d. respectively.

CHAPTER IX *(continued)*

87. Make out c.f. & i. invoices for invoices Nos. 2 and 4 at exchange 1s. 4d.

88. Make out an invoice for the following goods shipped per S.S. Trinacria from Liverpool to Bombay, by Thos. Williamson and Co., Manchester, for account of Messrs. Brown, Ashton & Co., Bombay :—

> 10 Bls (50 pcs ea.) 39 in. 8¼lb. 16 × 15 Grey Shirtings, at 5s. 3d. per pc. Packing 6s. 6d. per bale. Tickets 500 @ 6s. %; Freight (40 × 16 × 27) at 25s. and 10%; B/L 2s.; Dock Dues, &c., 5s.; Insurance at 6s.% and stamp; and commission 2½%.

89. Make an invoice for the same goods f.o.b. Liverpool. Carriage to Liverpool, 8s. per ton, on 38 cwt. Include all other necessary charges (from the above) and 2½% commission.

90. At what price per piece could you sell the above goods, c.i.f. Bombay at 1s. 3¾d. exchange, including the commission 2½%?

CHAPTER X

91. Explain the meaning of the term "franco Turin."

92. What is the difference between c.f. & i. and franco?

93. What are the principal charges included in a franco invoice?

94. How can you ascertain the foreign import duties on goods?

95. How do you arrive at the forwarding charges?

96. Make out in proper form an invoice "franco Milan" for the following goods:

> 1 Case 30 pcs 26 in. Figures 59/61 yds @ 4s. 6d. per yd (10/59½, 5/60, 8/61½, 7/61). Packing charges 9s. 6d.; insurance @ 5s.% and stamp; commission 2½%; forwarding charges and duty, Liras 160; exchange 25·32½.

97. Make out a similar invoice "franco Paris" for the following :—

> 1 Truss 10 pcs 147/8 Beatrice Lining at 1s. 10d. per yd. 5/25¼, 2/24, 2/25½, 1/25. Packing charges 10s. 6d.; insurance, &c., 3s.; duty and forwarding charges, fcs 95. Exchange 25·30.

CHAPTER XI

98. What is a "consular invoice"?

99. For what countries are such invoices required?

100. What documents are necessary for a shipment to the United States?

101. How many "declarations" are required, and how are they disposed of?

102. Why are these declarations required?

CHAPTER XII

103. Name some of the principal means of reimbursement for goods sold on "loco" terms.

104. For whose account are goods shipped on f.o.b. terms usually sold?

105. Name the best method of guarding against loss on goods sold on f.o.b. terms to a British firm.

106. How are accounts usually settled for goods sold on "franco" terms?

107. What is one of the disadvantages of selling goods on franco terms to certain countries?

108. Name some countries to which the previous question is applicable.

109. To what countries are goods chiefly shipped on c.f. & i. terms?

110. What method of reimbursement is usually adopted for goods sold on c.f. & i. terms?

111. Give a specimen of the draft usually drawn against a c.f. & i. shipment, for account of a native buyer.

112. How many copies of the invoice are required in this case?

113. What other documents are necessary?

114. How are these documents disposed of?

115. What is meant by the term "documentary draft," and what are the documents referred to?

116. Give a specimen of the documentary draft usually drawn against a shipment of goods to India, sold at sterling prices.

117. What documents are necessary in this case?

CHAPTER XI *(continued)*.

118. How are these documents disposed of (1) in the first instance; (2) after they are negotiated?

119. What is a "Letter of Hypothecation," and what does it transfer?

120. What is the difference between "documents against acceptance" and "documents against payment"?

121. Define the following terms and abbreviations:—Indent, Insce., B/L, E.E., E. & O.E., Ex, ex, per, pcs, D/A, Clean B/L, Clean B/E, C/, Cs., Bls., Pkgs., Str., S.S., Capt., %, ‰, U.K., U.S.A., T.T.

122. An indent is received by Messrs. Milman & Co., commission merchants, London, from Messrs. Watson & Co., Calcutta, for 500 pcs. 35 in., 14 × 12, 8¼ lb. Grey Shirtings, 38 yds. The goods are bought at 4s. 6d. per piece, f.o.b., Liverpool, and are shipped in 10 bales per "City of Carthage" S.S. Each bale measures 3·2 × 1·3 × 2·3, and the rate of freight is 25s. and 10 %; B/L 2s. 6d.; insurance at 6s. 3d. % and stamp; commission 2½ %. Make out an invoice for this.

123. State in their proper order the forms and documents which have to be made out, concerning this shipment, by Messrs. Milman & Co.

124. Milman & Co. draw on 22nd July, 1898, on Watson and Co., against the above invoice, at 60 d/s, documents attached, through the National Bank of India (6 % int.). Draw the draft.

125. What documents would have to be handed to the bank with the draft?

126. The draft is paid on 20th October, and it is calculated that the remittance will reach London on the 12th November. State what amount Watson & Co. will have to pay for interest (in sterling), and the total amount they would have to pay in rupees at 1s. 3¾d. exchange.

127. Write a letter to Watson & Co., Calcutta, under date 22nd July, 1898, referring to previous letter, dated 30th June (when the execution of the indent for the above goods was advised), and advising the above shipment and draft. State that further indents are in course of shipment, and that particulars will probably be sent by next mail.

CHAPTER XIII

128. What is meant by a "consignment" of goods?

129. What terms are used to denote (1) the person who makes the consignment; and (2) the person to whom it is sent?

130. What is the difference between a consignment invoice and a loco invoice?

131. What is a pro forma invoice, and for what purpose is it made use of?

132. What is an account sale?

133. What is a pro forma account sale, and what is it used for?

134. What is an account current?

135. What is the meaning of the term "red interest," frequently met with in accounts current?

136. Explain the different methods of calculating interest in accounts current.

137. Make out an account current to 30th June, 1898, for the following transactions between Brown & Green, London, and Sharpe & Short, Calcutta, debiting and crediting interest at 5% per annum, and arranging the dates in proper order :—

Shipments from London—£127 due January 15th; £240 due January 27th; £350 due February 18th; £255 due March 4th; £320 due March 31st; £1,200 due April 7th; £710 due May 3rd; £420 due June 20th.

Shipments from Calcutta—Jute, £500 due February 12th; Indigo, £1,200 due March 23rd; Shellac, £250 due March 31st; Jute, £500 due May 24th.

Bills drawn in London—£500 due April 20th; £350 due July 3rd; £250 due July 21st.

Remittances from Calcutta—£500 due March 21st; £250 due May 29th; £500 due July 24th; £300 due August 2nd.

138. Write a letter, as from Brown & Green, stating that you enclose account current, and asking Sharpe & Short to carry the balance forward to new account, if found correct. State amount of balance in the letter.

CHAPTER XIII *(continued)*

139. Write as from B. Long & Co., Manchester, to Messrs. Milman & Co., Calcutta, stating that you have sent us a trial shipment 2 bls. (800 prs.) Grey Dhooties. Ask M. & Co. to sell them to the best advantage and remit proceeds by a 3 m/s draft on London.

140. Reply from M. & Co. stating that the goods have been sold at Rs.1·4·3 per pr., and that they enclose A/C sales and draft on National Bank of India, London. (Mention the sterling amount of the draft.) The charges on the goods amount to Rs.125. One rupee equals 1s. 3d.

141. Messrs. Broadhurst & Co., Manchester, send a consignment of goods to Messrs. Wagram & Co., Bombay, and request them to remit the proceeds by a 3 m/s draft on London. The goods realise Rs.2,590 net, and Messrs. Wagram remit the money on 5th August, 1898, by a draft on Messrs. Williams, Deacons & Co., London. The draft is accepted on 25th August. It is afterwards endorsed to the Manchester and County Bank or order. Draw the "First" of the draft (exchange 1s. 3½d.), show the acceptance and endorsement, and state due date.

142. Write a letter from the payee to the drawee enclosing the bill for acceptance.

CHAPTER XIV

143. What is meant by the term "transhipment of goods"?

144. What is a "transhipment port"? Name some of these ports.

145. When goods are intended to be transhipped, what is the first Customs formality to be observed?

146. How must transhipment be effected?

147. Enumerate some of the Customs documents necessary in transhipping goods, and state their respective uses.

CHAPTER XV

148. State what is meant by importing goods "on consignment" and "against orders."

149. Mention some cases which would fall under each head.

150. What is an "open credit"?

CHAPTER XV *(continued)*

151. What is a "documentary credit"?

152. How is marine insurance generally effected for goods imported?

153. What is an "insurance letter"?

154. State the chief places in England where the following imported articles are bought and sold:—Wool, tea, coffee, spices, corn, cotton, oil and oil seeds, tapioco, rice, sugar, indigo, green fruits, flowers.

CHAPTER XVI

155. What is the document which it is essential we should possess before we can obtain delivery of imported goods?

156. What has to be done as soon as the ship arrives, if it is wished to take delivery of the goods at once?

157. If certain goods are landed before the freight is paid, how does the shipowner ensure that he shall be paid?

158. How does a consignee take delivery of his goods—direct from the ship or otherwise?

159. What is a Custom House?

160. Distinguish between Customs and Excise.

161. On what proportion of the total imports of the United Kingdom are Customs duties levied?

162. What is a Customs Tariff?

163. Name some of the principal articles of import on which Customs duties are levied.

164. Explain the meanings of the terms "specific duty" and "ad valorem duty."

165. Under which category are duties in this country levied?

CHAPTER XVII

166. What is the first formality to be observed on arrival of a ship carrying goods consigned to the United Kingdom?

167. By whom are goods taken out of the vessel?

168. In what respect do the Customs officials distinguish between dutiable and free goods?

169. What is a "Customs Entry"?

170. Name the two classes into which imports into the United Kingdom are divided for Customs purposes, and explain the meanings of the terms.

CHAPTER XVII *(continued)*

171. What is a "Warehousing Entry," and what is it used for?

172. What is a Dock Warrant?

173. When is a Bill of Sight made use of?

174. What is the difference between a Prime Entry and a Post Entry?

175. Explain the following terms: 50 Cs ex "Teutonic"; inward clearance; contraband; free entry.

176. Supposing a Bill of Lading is received for 100 Chests of Indigo shipped at Calcutta by steamer to London, state shortly the steps that would have to be taken to obtain delivery of the goods.

177. Mention three documents which are "negotiable instruments."

CHAPTER XVIII

178. Make out an Account Sale for 50 hhds Sugar shipped by Messrs. Murray & Co., at Georgetown, Demerara, per steamer "Hibernia," and sold by Messrs. Waters & Hall, Liverpool, as follows:—

10 hhds wg net 157 cwts. @ 15s.; 20 hhds, 312 cwts. @ 15s. 6d.; 15 hhds, 225½ cwts. @ 16s.; and 5 hhds. 76 cwts. @ 16s. 6d. Charges: Insurance, £3 17s. 6d.; freight, £47 10s.; cartage, £2 10s.; storage, £1 10s.; brokerage, ½%; and commission, 2½%. Net proceeds due to-day.

179. Messrs. Dorabji Framji & Co., of Bombay, ship to Messrs. George Heath & Co., of Liverpool, per steamer "Pembroke," 125 Bales good Dhollera cotton, against which they receive on 27th March an advance of £500 from Messrs. Heath's Bombay firm. The cotton is sold at 3¼d. per lb., the weights being 458 cwt. 3 qrs. 16 lbs. gross, and 438 cwt. 1 qr. 20 lb. net. The charges are fire insurance, £1 15s.; freight, £31 1s. 6d.; cartage and porterage, £3 2s. 6d.; storage, £2 7s.; brokerage, ½ %; and commission, 2½ %. Net proceeds due 28th May, when the consignees remit a demand draft for the balance.

(1) Make out an Account Sale for the above.

(2) Make out an Account Current, debiting and crediting interest at 5 % per annum.

(3) Write a letter to the consignors, enclosing A/c Sale, A/c Current, and Draft.

CHAPTER XIX

180. What is the meaning of the term "marine insurance"?

181. What is "Lloyd's"?

182. How does insurance at Lloyd's differ from insurance with an ordinary insurance company?

183. What is a "policy of insurance"?

184. What is the stamp duty on a marine policy?

185. Must the stamp duty be impressed, or may a stamp be affixed?

186. Does a foreign policy, payable in this country, require stamping? If so, within what length of time must it be stamped?

187. What is the meaning of the words "lost or not lost," in a policy?

188. What is the difference between the terms "at and from Liverpool," and "from Liverpool"?

189. What is the meaning of the F.C.S. clause?

190. What is "barratry"?

CHAPTER XX

191. What is general average?

192. What is particular average?

193. Who usually fixes the amount due by the different interests, in case of loss, and what is the document called which contains these particulars?

194. What is the meaning of the clause "warranted free from average under five per cent."?

195. Why are certain articles always warranted either free of average or free under a certain percentage?

196. Who gives the warranty?

CHAPTER XXI

197. Define the terms total loss, abandonment, re-insurance.

198. What is the difference between a "valued" policy and an "open" policy?

199. Explain the following abbreviations commonly used:—A.R., F.P.A., G.A., F.G.A., F.C. & S.

CHAPTER XXII

200. State briefly what is included under the following terms:—Baltic trade, Levant trade, Eastern trade, Colonial trade, Cape trade.

201. With which foreign country do we transact the largest trade?

202. Which is the most important commercial port in Germany?

203. What is meant by the term "transit country"? Name one or more of such countries.

204. What are the principal means of conveyance for goods in France and Germany?

205. Describe the route taken by a steamer from Liverpool to Bombay, and say where she would probably coal.

206. By what other route would it be possible for a steamer to go to Bombay, and what are the disadvantages of such route?

207. State the route by which the mails from Calcutta are conveyed to London.

208. Trace the route by which goods would reach Montreal from Liverpool (a) in winter, (b) in summer.

209. Where is the "Kaiser Wilhelm's Canal," and what are its commercial advantages?

210. What is the Suez Canal, and what has been its effect on our trade in the East?

211. Trace the route taken by a sailing vessel from London to New Zealand and home again.

212. Name (a) the cotton ports, (b) the grain ports, and (c) the pitch pine ports of the United States.

213. Trace the route of a steamer from Callao to Liverpool, mention the ports at which she would probably call, and the nature of the cargo loaded at each place.

214 By what other route might cargo from Callao be sent to England, and what are the disadvantages of such route?

CHAPTER XXIII

215. What are the papers which are generally found on board a merchant vessel?

216. What is a Charter Party, and what stamp does it require?

217. What is meant by "a time charter" and "a voyage charter"?

CHAPTER XXIII *(continued)*

218. What are "lay-days," and what is the difference between "working days" and "running days"?

219. Explain the terms demurrage, despatch money, "dead freight," jettison, stevedore.

220. If a steamer were chartered at 27s. 6d., and she carried in all 2,200 tons of cargo, of which 500 tons had been relet at 30s., 1,000 @ 28s. 3d., and 500 at 27s. 6d. (B/L being filled up at these rates), at what rate would the B/L for the remaining 200 tons have to be made out?

CHAPTER XXIV

221. Explain the terms freight account, disbursement account.

222. What is the "Ship's Report," and what is it used for?

223. Describe an Entry Outwards and a Clearance Outwards. What documents are used in each case?

224. What is meant by a coasting voyage, and what documents must be kept to show the cargo loaded and discharged? What is a "transire"?

CHAPTER XXV

225. What is a Bottomry Bond?

226. What special risks are incurred when money is lent on Bottomry?

227. By what means may a captain raise money if he cannot obtain a bottomry loan?

228. What is a Captain's Protest?

229. What is a Survey Report?

230. Under what circumstances is an Average Bond Agreement necessary, and by whom is it signed?

CHAPTER XXVI

231. Explain the following phrases relating to charters and freights:—

(a) A fixture was reported for London at 27s. 6d.

(b) Business has been transacted at 17s. 6d. p.p., 18s. o.c.

(c) London quoted d.w. 17s. 6d., wheat 17s. 6d., linseed 20s.

(d) There is a scarcity of June tonnage.

CHAPTER XXVI (*continued*)

(e) The chief demand is for berth tonnage.
(f) The liners have taken most of the cargo offering at 17s. 6d.
(g) Three vessels have been fixed, a large one at 20s. 9d., and two handy ones at 21s. 3d. U.K.C., less 6d. if ordered direct.

CHAPTER XXVII

232. How do you account for the fact that a telegram despatched from Madras at, say, 1.10 p.m. is received in London at, say, 9.0 a.m. the same day?

233. A telegram despatched from New York at 10.0 a.m. is not received in London until 4.0 p.m. How do you account for this?

234. What is meant by
(a) a telegram in plain language;
(b) „ „ code;
(c) „ „ cypher?

235. What is meant by the terms "European system" and "extra-European system" as applied to foreign telegrams?

236. Mention some places included in
(a) the European system,
(b) the extra-European system.

237. What difference does it make, so far as regards the telegram, whether a telegram be sent to a place in the "European system," or the "extra-European system"?

238. What is the minimum length of a word in a telegram (1) in plain language, (2) in code, to a place:—
(a) In the European system;
(b) In the extra-European system?

239. If the following telegram were handed in, how would it be dealt with:—
"Cqrwv jcxno prwmn wrglm"?

240. If the following telegram were sent to Calcutta, how many words would be charged for:—
"Competitors offering $3\frac{31}{32}$ cif Liverpool"?

241. How many figures are allowed to be sent as one word in a foreign telegram?

CHAPTER XXVII (*continued*)

242. How many words would be charged for in the following telegram to places in the extra-European system :—

(a) Quantities incorrectly given read twentysix and fortytwo ;

(b) Fatality 278673 write Philadelphia ?

243. From what languages may code words be taken for use in extra-European telegrams ?

244. Must the telegram be confined to words taken from any one of these languages ?

245. May code or cypher messages be sent to any country ?

CHAPTER XXVIII

246. What is a "telegraph code" ?

247. Is there more than one kind ?

248. Translate the following telegram from code No. 1 :— Abandon, badinage, capacious, elucidate.

249. Translate the following telegram from code No. 2 :— Abrupt, bequest.

250. Translate the following telegram from code No. 3 :— Connexion (meaning 19309).

251. Translate the following telegram from code No. 4 :— Authority (meaning 00307).

252. Make out the following telegrams from code No. 1 :—

(1) From Calcutta. Buy 30 bls. 35 in. 14 × 12 7 lb. Grey Shirtings at Rs.3·8 per pce., c.f. & i. Calcutta, shipment as soon as possible.

(2) From Manchester. Order impracticable ; raise limit 1 anna.

(3) From Calcutta. Raise limit 1 anna.

(4) From Manchester. Have executed your order.

253. Make out the above four telegrams from code No. 2.

254. Make out telegram No. 1 from code No. 3, adding "gold heading ; if impracticable, discretion 1 anna."

255. Show how you would telegraph the following messages, by code No. 4 :—

(1) From Melbourne to London. "Eurydice" arrived here to-day. Are you open to fix her ?

(2) From London to Bombay. "Cicero" expected to arrive in a few days ; send best offer you can.

CHAPTER XXVIII (*continued*)

(3) From Bombay to London. "Cicero" not arrived yet; we offer firm, subject to reply to-morrow, 27/6 Havre.

(4) From Buenos Ayres to Liverpool. "Lucretia" not arrived yet; charter cancelled.

(5) From Calcutta to London. "Bellona" arrived here to-day; fixed for Adriatic ports, 32/6.

CHAPTER XXIX

256. What is the fundamental basis of the metric system?
257. What is the unit of the measure of length?
258. „ „ „ capacity?
259. „ „ „ weight?
260. „ „ „ volume or solidity?
261. „ „ „ surface?
262. What is the name given to a measure of 10 metres?
263. „ „ „ 100 litres?
264. What is the name given to a measure of 1,000 grammes?
265. What is the name given to a measure of 1/10th litre?
266. What is the name given to a measure of 1/100th metre?
267. What is the name given to a measure of 1/1000th gram.?
268. What is meant by a *square* metre?
269. How many square metres are there in a square dekam.?
270. How many square metres are there in a square kilom.?
271. How would you read 32 square m. 2735?
272. What is an are?
273. Explain what is a cub. metre—how built up.
274. In a cubic metre how many cub. decimetres are there?
275. How would you read 35 cub. m. 735985?
276. What is a litre?
277. What is a gramme?
278. What is a myriagramme?
279. What is a quintal?
280. How many yards are there in 280 metres?
281. How many inches are there in 388 centimetres?
282. How many pints are there in 128 litres?
283. How many lbs. are there in 245 kilogrammes?
284. How many metres are there in 321 yards?

CHAPTER XXIX (*continued*)

285. How many centimetres are there in 25 inches?

286. How many litres are there in 7 pints?

287. How many kilogrammes are there in 3 cwt. 24 lbs.?

288. If 560 metres of cloth were bought at fcs. 7½ per metre, what would be the cost per yard in English money at 25·22 exchange?

CHAPTER XXXI

289. Is the decimal system applied to weights and measures only?

290. Give some examples of a decimal coinage?

291. What do you understand by the £ and mil system?

292. What coins would be required if our English currency were altered to decimal currency on the basis of the £ and mil?

293. What would be the moneys of account in that system?

294. Which are the principal civilised nations which have not adopted a decimal coinage?

295. Has any portion of the Indian Empire adopted a decimal coinage?

296. What would be the principal advantages of a decimal coinage if such were introduced into this country?

297. Express the following sums in the decimal £ and mil system: £25 4s. 6d., £3 2s. 9d., £263 5s. 6d., and make the addition.

298. Multiply £27·65 by 24.

299. Divide £30·30 by 6.

300. Reduce £52·10 into cents.

COUNTY COUNCIL OF THE WEST RIDING OF YORKSHIRE

EXAMINATION FOR STUDENTS

MODERN BUSINESS METHODS

Saturday, 8th January, 1898

The number of marks allotted to each correct answer is indicated after each question

The Home Trade.

1.—Make a Vowel Index for the letter B, and show how you would index the following names in it:—H. W. Bilson & Co.; Byles & Jones; Brice, Booth & Co.; Blythe, Wood & Co.; Bradbury, Lennox & Co.; Henry Brown, Manager, Bunsen Burner Co. Ltd.; Beith, Nevin & Co.; J. Braham. [4]

2.—State, as far as you can, the alterations in postal matters effected last year (1897) and this year (1898). [4]

3.—What is a "Trunk Telephone;" how could you make use of it, and what charges would be made? [3]

4.—Why is it desirable to always confirm in writing an order or agreement made verbally; when is it really necessary to do so, and for what reasons? [3]

5.—What is meant by the terms:—Prompt Cash, Net Cash, C.O.D.? [2]

6.—Enumerate the various methods of obtaining fac-simile copies of letters, orders, invoices, &c. [5]

7.—Give as many examples as you can of the various modes of crossing cheques. [4]

8.—In what cases may a crossing be altered or added to? [3]

9.—Explain the meaning and effect of the words "not negotiable" on a crossed cheque. [5]

10.—What is the difference between a B/E and a cheque? [2]

11.—What is meant by (*a*) discounting, (*b*) negotiating, (*c*) renewing, (*d*) retiring, (*e*) noting, and (*f*) protesting a B/E? [4]

12.—Dowson & Co. owe Inewell & Hodgson £120 due Jan. 21, £175 due Feb. 4, £80 due Feb. 13, and £95 due Feb. 28, and it is arranged that Inewell shall draw on Dowson at 3 m/d, at the average due date, for the whole amount plus $2\frac{1}{2}$ % and stamp duty. What amount would be drawn, and what would be the due date of the bill? [8]

The Import Trade.

13.—What is meant by a Del Credere contract? [2]

14.—In what respect does Commission differ from Brokerage? [2]

15.—Explain the terms: Sample, type, prompt delivery, spot, to arrive, landed terms, average tare, draft. [4]

16.—What are the following documents:—Bill of Entry, Landing Order, Warehousing Entry, Prime Entry, Post Entry? [5]

17.—You are given a B/L for certain duty-free goods just arrived by steamer from New York, and are instructed to obtain delivery of them as quickly as possible. Explain the steps you would have to take, and the documents you would have to obtain or present, in order to do so. [12]

18.—Mention some of the principal articles on which Customs duties are levied in England. [3]

19.—The price of sugar in France is 6d. to 7d. per lb.; in England it is only 2d. to 3d. How do you account for the difference? [8]

20.—Messrs. Morton & Co., of New York, ship to Messrs. Peterson Bros., of Liverpool, produce to the value of £650, against which they draw at 90 d/st in favour of themselves or order. The bill is endorsed to Thompson & Smith, who again endorse it to the Westminster Bank, who hold it until it matures. It is accepted on the 21st December, 1897, payable at the London Joint-Stock Bank. State when, by whom, and to whom the bill should be presented for payment, and what amount would be paid. [8]

21.—If you buy 1,120 metres of cloth in France at 3 francs per metre, and the carriage, &c., to England costs £3 5s. 6d., what is the total cost and the price per yard, in English money, at fcs. 25·30 exchange? [12]

22.—Make out an a/c Sales for the following:—54 hhds. sugar ex steamer "Albion," sold for a/c of Messrs. Smithson & Co., Georgetown, Demerara, by Thomas Barker & Co., Liverpool, marked S.C., 1/54. [10]

9 hhds.	net	132¾	cwts.,	at	10/- per cwt.
18 ,,	,,	271	,,	,,	10/6 ,,
15 ,,	,,	220	,,	,,	11/6 ,,
12 ,,	,,	165	,,	,,	12/3 ,,

Charges: Insurance, £2 17s. 6d.; freight, £33 15s. 0d.; cartage, £1 3s. 6d.; storage, £1 1s. 0d.; and commission, 2½ %. Net proceeds due to-day. [10]

The Export and Shipping Trade.

23.—What is a Customs Specification? Is there more than one kind? If so, name them, and describe their respective uses. [3]

24.—Define the following shipping terms:—Charter party, demurrage, despatch money, dead freight, stevedore, steamer ton, lay-days. [6]

25.—What is the meaning of the following terms and abbreviations:—Cash against documents, f.o.b., c. & f., c.i.f., franco domicile? [3]

26.—Explain the meaning of General Average and Particular Average. [6]

27.—State what are the moneys of account in the following countries, and their values respectively in English money:—France, Germany, Spain, Denmark, United States, Canada, India, China, Japan, Australia, and Natal. [5]

28.—Supposing you are writing to the United States and you miss the post, how can you have a message sent on from the port of departure of the steamer? [4]

29.—Make out an ordinary export invoice for the following goods, shipped by Maskin Bros., Huddersfield, to Henfield & Co., Melbourne, per steamer "Arcadia," in 1 case marked H.C.M. 375:—1773/7 6 pcs. 27″ Coatings, Pattern Nos. 237, 239, 741, 263, 278, and 279, and 48½, 51, 48¾, 52, 50¼, 51½ yards respectively, at 3/6 per yard, less 2½ % discount; charges: zinc-lined case 21/6 (other charges forward). [12]

30.—The packing case mentioned in the preceding question measures 2·6 by 2·4 by 1·3. What would the freight amount to at 35/- and 10 %? (Show your working.) [8]

31.—Make out a "franco" invoice (in centimetres, metres, and francs) for the following goods forwarded to Perron & Cie., Paris, by Simpson Bros., Bradford, and forwarded through Jules Petit, Boulogne:—1 bale marked P.C.P. 527, Piece Nos. 7138/42, Pattern Nos. 1351/5, 56″ Fancy Worsteds, 5 pcs., 24, 24½, 25, 26, and 25 yards respectively, costing 4/- per yard less 2½ % discount. Charges: Packing, 3/9; insurance, 1/6; forwarding charges and duty fcs. 75, and commission 2½ %.

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